July 17, 2017

To
NATIONAL STOCK EXCHANGE OF INDIA
LTD
EXCHANGE PLAZA
BANDRA KURLA COMPLEX, BANDRA (E)
MUMBAI 400 051.

Dear Sir,

Ref: Scrip Code: ALLSEC
Sub: Intimation of Date of AGM ,E Voting and Book Closure

We hereby inform you that the 18th Annual General Meeting of the Company will be held on Thursday the 10th August, 2017.

We also inform you that :

The share transfer books and the register of members of the Company will remain closed from Thursday the 3th August, 2017 to Thursday the 10th August, 2017 (both days inclusive) for the purpose of Annual General Meeting of the Company.

The Company is providing e-voting facility to the shareholders of the Company. The e-voting rights of the shareholders/ beneficiary owners shall be reckoned on the equity shares held by them as on 3rd August, 2017 being the Cut-off date for the purpose. The portal for e-voting will be open from 9.00 A.M on 7th August, 2017 to 5.00 P.M on 9th August, 2017.

We also attach a copy of the Notice and Annual Report of the Company.

Thanking You,

Yours faithfully,
for **ALLSEC TECHNOLOGIES LTD**

A. Mohan Kumar
DGM Legal & Company Secretary

ALLSEC TECHNOLOGIES LTD.
46-B, Velachery Main Road, Velachery, Chennai - 600 042
Tel : +91.44.4299 7070 Fax : +91.44.2244 7077 web : www.allsectech.com
Regd. Office : 7H Century Plaza, 560-562, Anna Salai, Teynampet, Chennai - 600 018
Corporate Identity Number : L72300TN1998PLC041033, Email : contactus@allsectech.com

ALLSEC TECHNOLOGIES LIMITED

Annual Report

2016 - 17

Board of Directors

Mr. T. Anantha Narayanan	Chairman
Mr. C. Jayaram	Director
Mr. D. Padmanabhan	Director
Ms. Lalitha Sankaran	Director
Mr. Manish Gaur	Investor Nominee
Mr. Kapil Modi	Investor Nominee
Mr. A. Saravanan	Director
Mr. R. Jagadish	Director & CEO

Management Team

Mr. R. Vaithiyanathan	Senior Vice President - Operations & HR
Mr. P. Raghunath	Vice President - Finance
Mr. C. Mahadevan	Vice President - HR Operations
Mr. Saravanan Thambusamy	Vice President - Technology

DGM Legal & Company Secretary

Mr. A. Mohan Kumar

Auditors

Walker Chandiok & Co LLP
Chartered Accountants
Chennai

Registered Office

7H Century Plaza,
560-562 Anna Salai,
Teynampet,
Chennai 600 018.

Corporate Office

46B Velachery Main Road,
Velachery, Chennai 600 042.

Bankers

- Canara Bank
- HDFC Bank

Registrars & Transfer Agents

KARVY Computershare Private Limited
Karvy Selenium Towers, No - B,
Plot No. 31-32, Gachibowli,
Financial District, Nanakramguda
Hyderabad - 500 032

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Notice is hereby given that the 18th Annual General meeting of the Shareholders of **ALLSEC TECHNOLOGIES LIMITED** will be held at 10 A.M. on Thursday, the 10th Day of August 2017 at Narada Gana Sabha, Mini Hall, 314, TTK Salai, Alwarpet, Chennai 600 018 to transact the following business:

Ordinary Business:

1) To consider and adopt the Standalone and Consolidated Balance Sheet as at 31st March 2017 and the Profit and Loss Account for the period ended 31st March 2017 along with the Schedules, the report of the Directors and Auditors thereon.
2) To appoint a Director in the place of Mr. A.Saravanan (DIN: 00033683) who retires by rotation and being eligible, offers himself for re- appointment.
3) To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution;

"**RESOLVED THAT** M/s Walker Chandiok & Co LLP (ICAI Firm Registration No.:001076N / N500013), Chartered Accountants, the retiring auditors of the company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company on such remuneration as may be decided by the Board of Directors plus reimbursement of actual travel and other out-of-pocket expenses."

NOTES:

1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2) The Register of Members of the Company and Transfer Books thereof will be closed from 3rd August 2017 to 10th August 2017 (both days inclusive).
3) The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for payment of dividend through Electronic Clearing Service (ECS) to investors wherever ECS facility is available. Hence, the members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, ECS mandates, power of attorney, change of address/ name, etc., to their depository participant only and not to the Company's Registrar and Transfer Agent. Changes intimated to the depository participant will help the Company and its Registrars to provide efficient and better services to the Members.
4) As per the Circular No.17/95/2011 CL-V dated 21st April, 2011 issued by the Ministry of Corporate Affairs, to facilitate the Green Initiative in the Corporate Governance, share holders are allowed to receive the Notice / Documents like Annual report, etc through electronic mode i-e: to their e-mail address registered with the Company/ Depository participant.
5) In line with the above initiative by the Ministry of Corporate Affairs, all the members are requested to update their email address on their respective depository account with the depository participant to provide better service at all times.
6) The proxies appointed, should bring their attendance slips sent herewith, duly filled in, for attending the meeting.
7) Electronic copy of the Notice of the 18th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 18th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

Voting through electronic means

8) The Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Karvy Computershare Private Limited as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the 18th Annual General Meeting of the Company (the AGM Notice).
9) The facility for voting through ballot / polling paper shall also be made available at the venue of the 18th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.
10) The Company has appointed M/s Srinivasan & Shankar, Chartered Accountants, Chennai as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E-voting is optional. In terms of requirements of the Companies Act, 2013 and the

relevant Rules, the Company has fixed 3rd August 2017 as the 'Cut-off Date'. The remote e-voting / voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. 3rd August 2017 only.

INSTRUCTIONS FOR e-VOTING

I. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

(A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:

i. Launch internet browser by typing the URL: https://evoting.karvy.com.

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmostcare to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email mani@srinishankar.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format " **Corporate Name_ Event No."**

(B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:

i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.

ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

II. Instructions for Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue.Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

OTHER INSTRUCTIONS

a) In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.karvy.com (Karvy Website) or contact (Unit: Name of the Company) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.

b) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

c) The remote e-voting period commences on 7th August 2017 (9.00 A.M. IST) and ends on 9th August 2017 (5.00 P.M.IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 3rd August, 2017, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

d) The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. 3rd August, 2017.

e) In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., 3rd August, 2017, he/she may obtain the User ID and Password in the manner as mentioned below :

i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may sendSMS: **MYEPWD** <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL:

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Member may call Karvy's toll free number 1800-3454-001.

iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

PROCEDURE AND INSTRUCTIONS FOR WEB CHECK-IN/ATTENDANCE REGISGTRATION

1) **Web Check- in / Attendance Registration:** Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall. Alternatively, to facilitate hassle free and quick registration/entry at the venue of the AGM, the Company has provided a Web-Check in facility through Karvy's website. Web Check-in on the Karvy's website enables the Members to register attendance online in advance and generate Attendance Slip without going through the registration formalities at the registration counters.

Procedure of Web Check-in is as under:

a) Log on to https://karisma.karvy.com and click on "**Web Checkin for General Meetings (AGM/EGM/CCM)**".

b) Select the name of the company: Allsec Technologies Limited

c) Pass through the security credentials viz., DP ID/Client ID/Folio no. entry, PAN No &

"CAPTCHA" as directed by the system and click on the submission button.

d) The system will validate the credentials. Then click on the "Generate my attendance slip" button that appears on the screen.

e) The attendance slip in PDF format will appear on the screen. Select the "PRINT" option for direct printing or download and save for the printing.

f) A separate counter will be available for the online registered Members at the AGM Venue for faster and hassle free entry and to avoid standing in the queue.

g) After registration, a copy will be returned to the Member.

h) The Web Check-in (Online Registration facility) is available for AGM during e-voting Period only i.e., 07th August 2017 (9.00 A.M. IST) to 09th August 2017 (5.00 P.M. IST).

i) The Members are requested to carry their valid photo identity along with the above attendance slip for verification purpose.

By Order of the Board

A. Mohan Kumar

Company Secretary

Place: Chennai

Date : 15th May, 2017

Registered Office:

7H, Century Plaza, 560-562,

Anna Salai,

Teynampet, Chennai 600 018.

Annexure to Item No.2 of the Notice

Details of Directors seeking appointment / reappointment at the forthcoming Annual General Meeting

Name of the Director	Mr. A. Saravanan
Date of Birth	18-April-1962
DIN	00033683
Date of Appointment on the Board	24-August-1998
Qualifications	B.Sc. (Physics), Chartered Accountant from Institute of Chartered Accountant of India
Shareholding in Allsec	3112119 Equity shares of Rs.10/- each (20.42 % on the paid-up capital)
List of Directorship held in Companies	Allsec Technologies Limited Allsectech Inc., USA Allsectech Manila Inc., Philippines Retreat Capital Management Inc, USA
Nature of expertise in specific functional areas	Mr.A.Saravanan is a qualified Chartered Accountant. He has over 27 years of experience in finance and management across different industry segments, which he has effectively used whilst being the co-promoter of the Allsec group of companies. He headed marketing initiatives in areas of investments, merchant banking, portfolio management, brokerages and debt syndication for the Allsec group of companies. As the Promoter Director, he is responsible for business development, strategy and finance and he also directly oversees the marketing initiatives of the Company across all geographies.

Place: Chennai
Date : 15th May 2017

A. Mohan Kumar
Company Secretary

Registered Office: 7H, Century Plaza, 560-562, Anna Salai, Teynampet, Chennai 600 018.

Financial Highlights (Standalone)

(Rs.in Lakhs)

S. No.	Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2009	Year Ended March 31, 2008
A	**Profit and Loss Account**										
	Revenue	11621	10836	9747	10674	10747	12471	14154	12208	9649	9901
	Gross Profit before Interest, Depreciation & Tax (EBITDA)	2340	1525	485	1368	736	(328)	686	370	180	(240)
	Profit before taxation	2187	1245	130	543	(333)	(1470)	(394)	(681)	(702)	(1105)
	Profit after taxation	2404	948	98	543	(333)	(1470)	(394)	(681)	(722)	(1355)
B	**Balance Sheet**										
	Net fixed assets	765	745	927	1769	2384	3131	3588	3569	2666	2914
	Investments	10492	6724	5282	6178	3532	3118	4252	2715	4538	7932
	Net current Assets	3572	4966	5387	4161	5650	5762	5775	7644	7210	4243
	Total	**14829**	**12435**	**11596**	**12108**	**11567**	**12011**	**13616**	**13930**	**14414**	**15090**
	Share Capital	1524	1524	1523	1523	1523	1523	1523	1523	1523	1523
	Reserves & Surplus	13280	10876	9928	10497	9954	10287	11756	12150	12831	13529
	Net worth	**14804**	**12400**	**11451**	**12020**	**11478**	**11811**	**13279**	**13674**	**14355**	**15053**
	Loan funds	25	35	144	88	88	200	336	256	59	36
	Total	**14829**	**12435**	**11595**	**12108**	**11567**	**12011**	**13616**	**13930**	**14414**	**15090**
C	**EPS (in Rs)**	**15.78**	**6.2**	**(1.1)**	**3.5**	**(2.1)**	**(9.6)**	**(2.5)**	**(4.4)**	**(4.7)**	**(8.8)**
	Diluted EPS (in Rs)	15.78	6.2	(1.1)	3.4	(2.1)	(9.6)	(2.5)	(4.4)	(4.7)	(8.8)
	Book Value per share	97.14	81.36	75.14	78.88	75.33	77.50	87.15	89.74	94.20	98.71
	Return on Capital Employed (ROCE in %)	15%	10%	(1%)	4%	(3%)	(12%)	(3%)	(5%)	(5%)	(7%)
	Return on Networth (RONW in %)	15%	10%	(1%)	(5%)	(3%)	(12%)	(3%)	(5%)	(5%)	(7%)
	Fixed Assets Turnover (No of times)	15.19	14.54	10.51	6.03	4.51	3.98	3.94	3.42	3.62	3.40
	Working Capital Turnover (No of times)	3.25	2.2	1.80	2.57	1.9	2.16	2.45	1.60	1.34	2.33

Financial Highlights (Consolidated)

(Rs.in Lakhs)

S. No.	Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2009	Year Ended March 31, 2008
A	**Profit and Loss Account**										
	Revenue	32,280	23,338	15,086	19,962	32,007	18,314	15,852	13,475	10,383	9,794
	Gross Profit Before Interest, Tax, Depriciation & Amortisation (EBITDA)	6,799	4,192	(41)	(3,452)	4,057	443	-	-	-	-
	Profit Before Taxation	6,301	3,453	(1,233)	(5,363)	2,063	(1,049)	(735)	(999)	(948)	(1,712)
	Profit After Taxation	6,145	3,094	(1,406)	(3,714)	884	(1,472)	(756)	(1,010)	(974)	(1,963)
B	**Balance Sheet**										
	Net Fixed Assets	2,173	2,231	2,652	3,906	4,293	4,634	5,183	4,368	3,820	3,668
	Investments	6,115	1,911	175	1,072	888	510	1,875	1,332	3,154	3,110
	Net Current Assets	6,527	5,175	3,239	1,570	6,312	5,048	4,955	6,980	6,561	7,620
	Total	**14,815**	**9,317**	**6,066**	**6,548**	**11,493**	**10,192**	**12,013**	**12,680**	**13,535**	**14,398**
	Share Capital	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524
	Stock Options Outstanding			-	-	-	-	101	108	124	108
	Reserves & Surplus	13,483	7,623	4,621	6,430	8,620	8,391	10,029	10,792	11,828	12,730
	Net Worth	**15,007**	**9,147**	**6,145**	**7,954**	**10,144**	**9,915**	**11,654**	**12,424**	**13,476**	**14,362**
	Loan Funds	25	256	82	260	325	23	336	256	59	37
	Deferred Tax Assets (Net)	(217)	(86)	(161)	(1,666)	-	-	-	-	-	-
	Minority Interest	-	-	-	-	1,024	254	22	-	-	-
	Total	**14,815**	**9,317**	**6,066**	**6,548**	**11,493**	**10,192**	**12,013**	**12,680**	**13,535**	**14,398**
C	**EPS (In Rs.)**	**40.33**	**20.30**	**(9.23)**	**(16.43)**	**1.28**	**(11.14)**	**(4.97)**	**(6.63)**	**(6.39)**	**(12.88)**
	Diluted EPS (In Rs.)	40.33	20.30	(9.23)	(16.43)	1.28	(11.14)	(4.97)	(6.63)	(6.39)	(12.88)
	Book Value per Share	98.47	60.02	40.32	52.19	66.56	65.06	76.47	81.52	88.43	94.24
	Return on Capital Employed (ROCE in %)	42%	39%	(18%)	(65%)	24%	(10%)	(6%)	(8%)	(7%)	(12%)
	Return on Networth (RONW in %)	41%	34%	(23%)	(31%)	2%	(17%)	(7%)	(8%)	(7%)	(14%)
	Fixed Assets Turnover (No of times)	14.86	10.46	5.69	5.11	7.46	3.95	3.06	3.08	2.72	2.67
	Working Capital Turnover (No of times)	4.95	4.51	4.66	12.71	5.07	3.63	3.20	1.93	1.58	1.29

Directors Report

The Directors take pleasure in presenting to you the 18th Annual Report of the company covering the financial year ended 31st March 2017.

FINANCIAL HIGHLIGHTS

(Rs. In Lakhs)

	STANDALONE			CONSOLIDATED		
	YEAR ENDED			YEAR ENDED		
	31-Mar-17	31-Mar-16	F/(A)	31-Mar-17	31-Mar-16	F/(A)
INCOME FROM SERVICES	11,621	10,836	7%	32,280	23,338	38%
TOTAL COSTS	9,698	9,563	(1%)	26,046	19,949	(31%)
OPERATING MARGIN	1,923	1,273	51%	6,234	3,389	84%
OTHER INCOME	417	252	65%	565	803	(30%)
EBIDTA	2,340	1,525	53%	6,799	4,192	62%
EBIDTA (%)	20%	14%		21%	18%	
DEPRECIATION	336	503	33%	554	755	27%
INTEREST EXP / (INCOME)	(183)	(223)	(18%)	(56)	(16)	25%
PROFIT/(LOSS) BEFORE TAX	2,187	1,245	76%	6,301	3,453	82%
PROFIT/(LOSS) AFTER TAX	2,404	948	154%	6,145	3,094	99%
CASH PROFIT	2,523	1,451	74%	6,482	3,849	68%

Business Outlook

HR Operations division continues the strong momentum from previous years and is poised to grow well in the coming years as well. During the year, the HRO division has moved from a predominantly payroll outsourcing services to a division providing wider range of services in the HR Operations space. This has helped in deepening relationships with existing clients as well as in addition of newer clients. Further the division has expanded its geographical coverage by providing services to customers in more than 8 countries. We believe HRO business will continue to be a significant revenue generator for your Company in the next few years.

Domestic Support Business has remained at similar levels as previous year. Your Company has during the year focused on improving profitability with existing clients and have also been very selective in customer acquisition to ensure that the operations are profitable. The plan is to keep looking for strategic contracts where we can negotiate better rates and improve margins.

Exports revenue has shown modest growth during the year. The division continues to have challenges on account of the global environment. However we are actively pursuing targets both by increasing the sales force as well as increase marketing efforts by doing more targeted marketing.

Overall financial performance of your Company has improved substantially during this year. Profit before Interest, Depreciation and Tax (EBIDTA) has increased from INR 1,525 lakhs last year to INR 2,340 Lakhs (53%). Your company has reported Net profit after tax for the current year at INR 2,404 lakhs as compared to Net profit after tax of INR 948 lakhs for the previous year. Detailed analysis of the Standalone results forms part of the Management Discussion and Analysis (MDNA) report provided separately as part of the Annual Report.

Consolidated results of your Company have shown growth due to improved performance of all the entities during the year. Consolidated Revenues has increased to INR 32,280 lakhs from INR 23,338 lakhs in the previous year. Consolidated Profit before Interest, Depreciation and Tax (EBIDTA) increased to INR 6,799 lakhs from INR 4,192 in the previous year. Net profit after tax has increased to INR 6,145 lakhs from INR 3,094 lakhs in the previous year.

The company is continuing to pursue growth through the Organic route and see very good traction for growth in all the entities. The company has delivery centers in India, Philippines and in US for the international segment and has Domestic delivery centers in three major cities in India.

Dividend

The Board of Directors of your Company does not recommend any dividend for the Financial Year 2016-17 in view of the accumulated losses.

Deposits

Your company has not accepted any deposit from the public during the period under review and did not have any outstanding deposits.

Directors

Mr. Krishnakumar Srinivasan, a Director on the Board of the Company has resigned on 11th February 2017. The Board wishes to place on record its sincere appreciation for the valuable services rendered by him.

Mr.A.Saravanan, Director retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Key Managerial personnel

The Key Managerial Personnel of Allsec Technologies Limited is mentioned below:

1) Mr. R. Jagadish - Chief Executive Director
2) Mr. A. Mohan Kumar – Company Secretary
3) Mr. P.Raghunath – Chief Financial Officer

Mr.P.Raghunath has joined as Vice President Finance of the Company effective 17th October, 2016. He is a Chartered Accountant and a Cost Accountant having more than 18 years of Professional experience.

Employees

The Information relating to Employees to be given under Section 197(12) of the Companies Act, 2013 is given as Annexure-H.

Corporate Governance

Your Company is fully compliant with the requirements under SEBI (LODR) Regulations 2015. The report on Corporate Governance is given in Annexure-A.

Certificate from Auditors confirming the compliance of conditions of Corporate Governance is included in Annexure-B. CEO/CFO certification is attached in Annexure-I.

In terms of regulation 34 of Securities and Exchange Board of India (Listing obligations and disclosure requirements) regulations 2015, the Management Discussion and Analysis report is given in Annexure-C.

Subsidiary Companies

The Company has three subsidiaries as at year end namely Allsectech Inc USA, Allsectech Manila Inc. Philippines and Retreat Capital Management Inc USA.

The Consolidated Financial statements of the company and its subsidiaries prepared in accordance with Accounting Standards AS 21 forms part of this Annual Report and accounts.

The Annual Accounts of the said subsidiaries and the related detailed information will be made available to the investors of the Company seeking such information at any point of time. The copies of the Annual accounts of the subsidiaries will also be kept for inspection by any investor at the corporate office of the Company. Performance and financial position of subsidiaries included in consolidated financial statements of the company is provided in Annexure-F.

The Company monitors performance of subsidiary companies (list of subsidiary companies has been provided in the financial statements), inter-alia, by the following means:

a) The Company does not have any material unlisted Indian subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of any subsidiary.
b) The Audit Committee reviews the financial statements of the subsidiaries on a quarterly basis.
c) Your Company has formulated a Policy on Material Subsidiary as required under Regulation SEBI (LODR) and the policy is hosted on the website of the Company under the web link https://www.allsectech.com/investor-information.

Compliance under Companies Act, 2013

Pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, your Company complied with the compliance requirements and the details of compliances under Companies Act, 2013 are enumerated below:

Extract of Annual Return

An Extract of the Annual Return as of 31st March 2017, pursuant to the sub section (3) of Section 92 of the Companies Act 2013 and forming part of the report is attached in Annexure-D.

Board Meetings held during the year

During the year, 5 meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report which is attached as Annexure-A to this Report.

Directors' responsibility Statement

The Board of Directors acknowledges the responsibility of ensuring compliance with the provisions of Section 134(3)(c) of the Companies Act, 2013. To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements:

Your Directors confirm the following that:

i) In preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;

iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv) The Directors had prepared the annual accounts on a going concern basis.

v) Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

vi) Proper systems were in place so as to ensure compliance with the provisions of all applicable laws and were adequate and operating effectively.

Independent Directors and Board Evaluation

The Independent Directors of the Company have declared that they meet the criteria of Independence in terms of Section 149(6) of the Companies Act, 2013.

Independent Directors considered/evaluated the performance of the non-independent Directors at a meeting without anyone from the non-independent Directors and Management.

The Board members subsequently evaluated performance of the Board, the Committees and Independent Directors as per the criteria and questionnaire developed for the purpose as mandated by section 134(3) of the Companies Act 2013 & Rule (8) of the companies Accounts Rules 2014.

Familiarisation Programme

Your company follows an orientation and familiarization programme through various reports/codes/internal policies for all the Directors with a view to update them on the company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on business and performance, long term strategy initiatives and risks involved. The detail about the familiarization programme have been posted in the website of the Company under the web link https://www.allsectech.com/investor-information.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Company's policy on appointment and remuneration including criteria for determining qualifications, positive attributes, and independence are provided in the Corporate Governance Report forming part as an Annexure-A to this Report.

Related Party Transactions

The Company has formulated a policy on Related Party Transactions as approved by the Board and the same is uploaded on the Company's website https://www.allsectech.com/investor-information.

All the Related Party Transactions that were entered into by the Company during the financial year 2016-17, were on an arm's length basis and were in the ordinary course of business. All Related Party Transactions are placed before the Audit Committee and are within the limits obtained by a prior approval in accordance with the requirements of the SEBI (LODR) Regulation 2015. The transactions entered into pursuant to such approval are placed periodically before the Audit Committee.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel which may have a potential conflict with the interest of the Company at large. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company otherwise than disclosed in the Corporate Governance Report, forming part of this report.

Details of the transaction are provided in Form AOC-2 which is attached as Annexure-G to this Report.

Vigil Mechanism / Whistle Blower Policy

In accordance with the requirements of the Companies Act 2013, your Company has established a Vigil Mechanism/ Whistle Blower Policy for Directors and Employees to report genuine concerns. The said Policy meets the requirement of the Vigil Mechanism framework under the Companies Act, 2013 and the members can view the details of the policy on https://www.allsectech.com/investor-information. No member has been denied access to Vigil Mechanism and no complaints have been received during the year.

Corporate Social Responsibility

The Board of Directors of your Company has constituted the CSR Committee to help the Company to frame, monitor and execute the CSR activities.

As per Sec. 135 of the Companies Act 2013, the Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years.

As per Computations made under Section 198 of the Companies Act, 2013, the Company must contribute a minimum of Rs 13 lakhs as CSR Contribution. During the financial year 2016-17, the Company has spent an amount of Rs.5 lacs towards CSR.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the financial statements.

Internal Financial Control and Adequacy:

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

Auditors

M/s. Walker Chandiok & Co LLP the Statutory Auditors of the Company were appointed at the previous Annual General meeting held on 11th August 2016 for a period of 5 years. The appointment of statutory Auditors is required to be ratified every year in the Annual General Meeting. The company has received necessary certificates under Sections 139 and 141 of the 2013 Act, to the effect that they satisfy the conditions under the Companies Act, 2013 and the rules made thereunder for the above appointment. As required under the SEBI (LODR) Regulations 2015, the Statutory Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The Directors recommend their re-appointment.

Comments on Auditors' report

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors and Company Secretary in Practice in their reports respectively. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2017 and May 15, 2017 (date of the Report)

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2017) and the date of the Report (May 15, 2017).

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act 2013 Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. P. Sriram, a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is given as an Annexure-E and forms part of this Report.

Names of Companies which have ceased/ become Subsidiaries/ Joint Ventures / Associates

During the year there is no change in the status of any subsidiary.

Quality & Information Security

The vision of Quality and Information security at Allsec is to institutionalize excellence in quality of services and security of data of Clients, customers and Organization by developing and deploying simple, efficient and effective processes using the latest Quality models in accordance with ISO 9001:2008 (Quality Management System) interlined with data security controls prescribed by International standards such as ISO 27001:2013 (Information security Management System). ISO 9001 and ISO 27001 certifications have been renewed at Chennai location and ISO 27001:2013 has been renewed for the Manila location. PCI DSS compliance certifications are renewed at Chennai and Manila locations during the year. We have also got our ISO 27001:2013 renewed at the Dallas Location. Further, existing ISAE 3402 which is a graduated version of SAS 70 Type II certification for the HRO business has

been renewed. We established a process for 'Technical Writing & documentation' to create user guides and documentation for key proprietary applications and processes for HR BPO this year. We continued publishing Organization wide weekly education bulletins on various topics in Quality Management Systems (QMS) and Information Security Management Systems (ISMS) during this year also to enhance awareness and skill level of employees.

We have begun transitioning of existing Quality Management system policies, procedures and practices in accordance with ISO 9001:2015, a new and upgraded version of ISO:9001:2008 and will complete transition including certification by Jan 2018.

Disclosure as per Securities and Exchange Board of India (Employees Stock option Scheme and Employee Stock Purchase Scheme) Guidelines, 2011

The options granted under the scheme have lapsed.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

Since your Company is in the Information Technology Enabled Services (ITES) business, the provisions relating to conservation of energy and technology absorptions are not applicable.

The details of the earnings and expenditure in foreign currency are given below:

Particulars	INR in Lakhs
Earnings in Foreign Currency	3,897
Expenditure in Foreign Currency	246
Interest received	76
Dividend received	37

Investor Services

Your company will constantly endeavor to give the best possible services to the investors. Towards this end, the following are some of the initiatives taken by the Company:

The investor Information section of the Website of the Company (www.allsectech.com), furnishes important financial details and other data of frequent reference by the investors. The Company also has a Stakeholders/ Relationship Committee to address Stakeholders grievances if any and resolve them as & when they are reported. The Company has provided an exclusive email id: investorcontact@allsectech.com for the investors to facilitate the redressal of the queries and complaints of the investors.

The Company has appointed M/s Karvy Computershare Pvt Ltd as Registrars & Share Transfer Agents for attending to issues relating to Physical shares and routine services requests.

Shareholders can also address any unresolved issues or information requests by postal mail to - Company Secretary, Allsec Technologies Ltd, 46B, Velachery Main Road, Chennai 600042.

Shareholders are requested to update their email addresses with their respective depository participants so that the Company can provide better services at all times.

Acknowledgement

Your Directors wish to place on record their appreciation for the excellent support and co-operation given by customers, shareholders, service providers and Government Agencies.

Your Directors also record their appreciation and gratitude to Financial Institutions and Bankers for their continued support and timely assistance in meeting the Company's resource requirements. Your Directors acknowledge the dedicated services rendered by all the employees of the company.

For and on behalf of the Board of Directors

Chennai	**A. Saravanan**	**R. Jagadish**
15th May 2017	Director	Director

REPORT ON CORPORATE GOVERNANCE

Corporate Governance Report

1. Company's Philosophy:

The Company lays great importance on investor service, investor communication, highest level of transparency, accountability and responsibility in its operations and all interactions with its shareholders, investors, lenders, employees and Government. Your Directors are committed to adopt the best Corporate Governance practices.

2. Board of Directors:

The Board comprises of a Non-executive Director as Chairman, a Director & CEO and 6 Non-Executive Directors.

The Board functions as a full Board or through Committees. The policy decisions and control vests with Board and the operational issues are handled by the Committees. Both the Board and Committees meet at regular intervals.

The Board has the following Committees namely Audit Committee, Stakeholder Relationship Committee, Nomination & Remuneration Committee and CSR Committee.

During the year 2016 - 2017, Board Meetings were held on 20th May 2016, 11th August 2016, 7th November 2016, 6th February 2017 & 31st March 2017.

The criteria for making payment of remuneration to the Non-executive Directors are as follows:

An amount of Rs.20,000/- per meeting is being paid towards Sitting fee for attending meetings of the Board, Committee of Directors and the Audit Committee, to the Non-executive Directors.

Name	Designation	Category	Attendance		Other Board	
			Board Meeting	Last AGM	Director ships#	Committee Member-ships$
T.Anantha Narayanan	Chairman	Independent Non- Executive	5	Yes	2	3
Krishnakumar Srinivasan*	Director	Non Independent Non-Executive	4	Yes	-	-
S. Premkumar**	Director	Independent Non- Executive	-	NA	4	-
C.Jayaram	Director	Independent Non- Executive	5	Yes	1	-
D.Padmanabhan	Director	Independent Non- Executive	5	Yes		-
Lalitha Sankaran	Director	Independent Non Executive	4	Yes	-	-
Manish Gaur	Director	Investor Nominee – Non- Executive	5	Yes	1	-
Kapil Modi	Director	Investor Nominee – Non- Executive	4	Yes	-	-
A. Saravanan	Director	Non-Independent - Non-Executive	4	Yes	-	-
R. Jagadish	Director & CEO	Non-Independent - Executive	5	Yes	-	-

Excluding Private Limited Companies, Foreign Companies, Section 8 Companies.

$ Includes membership in Audit Committee and Share holders/Investor Relation committee only.

* Resigned w.e.f 11th February 2017.

** Resigned w.e.f 20th May 2016.

Code of Conduct for Directors and Senior Management

The Code of Conduct for the Directors and Senior Management of the Company is available on the Company's website: https://www.allsectech.com/investor-information. All the Board members and the Senior Management Personnel have confirmed the Compliance with the Code. The policy decisions and control vests with Board and the operational issues are handled by the Committees.

3. Audit Committee:

The Audit Committee presently consists of Independent and Non-Independent directors. The Committee currently comprises of Mr.T.Anantha Narayanan, Mr.C.Jayaram, Mr.D.Padmanabhan, Mr.R. Jagadish and Ms.Lalitha Sankaran. The composition of the Audit Committee complies with the requirements of Regulation 18 of the SEBI (LODR) Regulations 2015. During the year, Audit Committee meetings were held on 20th May 2016, 11th August 2016, 7th November 2016 and 11th February 2017.

The terms of reference of the Audit committee of your company are in accordance with Section 177 of the Companies Act 2013 and Rules framed thereunder and as per Regulation 18 of the SEBI(LODR) 2015.

Name	Category	Status	Attendance
T.Anantha Narayanan	Independent Non Executive	Chairman	4
C.Jayaram	Independent Non Executive	Member	3
D.Padmanabhan	Independent Non Executive	Member	3
Mr.Prem Kumar*	Independent Non Executive	Member	1
Ms. Lalitha Sankaran	Independent Non Executive	Member	3
R.Jagadish	Non Independent Executive	Member	4

* Resigned w.e.f 20th May 2016.

4. Nomination and Remuneration Committee:

The NRC committee presently consists of Independent and Non-Independent Directors. The Committee currently comprises Mr.C.Jayaram, (Chairman), Mr.T.Anantha Narayanan, Ms.Lalitha Sankaran and Mr.A.Saravanan. During the year two meeting were held on 20th May 2016 & 31st March 2017.

The objective of the Committee is

- To Formulate Remuneration Policy
- Formulate criteria for evaluation of Directors and the Board as updated in our website https://www.allsectech.com/pdf/investor_information/POLICY_ON_REMUNERATION-Allsec.pdf
- To ensure that the Remuneration Policy shall also include the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- Identify persons who are qualified to become Directors and those who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Grant of stock options under the Employees Stock Option Scheme and perform other functions of compensation committee as required/ recommended by SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999.
- Other functions of a Remuneration Committee as required / recommended in the SEBI (LODR) Regulations 2015.

The remuneration paid to the Whole Time Directors is approved by the Committee of Board and Shareholders at the general meeting as required by the Companies Act, 2013. The details of the attendance and remuneration paid to the Directors for the year ended 31st March 2017 is given below:

Executive Directors (Rs. In Lakhs)

Name	Salary & Allowances	Commission	Total
R. Jagadish	84	20	104

Non-Executive Directors (Rs. In Lakhs)

Name of Director	Sitting Fees	
	Board	Audit Committee
T.Anantha Narayanan	1.00	0.80
Manish Gaur	-	-
Kapil Modi	-	-
A.Saravanan	-	-
C.Jayaram	1.00	0.60
D.Padmanabhan	1.00	0.60
Krishnakumar Srinivasan	0.80	0.00
Lalitha Sankaran	0.80	0.60
S. Premkumar	0.00	0.20

Name	Category	Status	Attendance
Mr.Prem Kumar*	Independent Non Executive	Chairman	1
Mr.C.Jayaram	Independent Non Executive	Chairman	1
Mr.T.Anantha Narayanan	Independent Non Executive	Member	2
Ms.Lalitha Sankaran	Independent Non Executive	Member	2
Mr.A.Saravanan	Non Independent Non Executive	Member	1

* Resigned w.e.f 20th May 2016.

5. Stakeholders Relationship Committee:

The composition of the Stakeholders Relationship Committee complies with the requirements of Regulation 20 of SEBI (LODR) Regulations 2015.

The Stakeholder Relationship Committee presently consists of Mr.T. Anantha Narayanan (Chairman), Mr. A. Saravanan and Mr. R. Jagadish. During the year, no Committee meetings were held.

This Committee deals with and approves the share transfers, transmission, etc., as required from time to time and all other matters relating to investor relations and grievances.

Mr. A. Mohan Kumar, Company Secretary is the compliance officer nominated for this purpose.

The details of investor complaints during the year 2016-2017 are:

Complaints received	Resolved	Not solved to the satisfaction of shareholders	Pending
Nil	Nil	Nil	Nil

6. Independent Directors Meeting:

A Meeting of the Independent Directors was held on 31st March 2017 in accordance with the Sec 149(7) of the Companies Act 2013 .

7. Corporate Social Responsibility Committee

As per Sec. 135 of the Companies Act, 2013, every Company, having

- Networth of 500 crore or more (or)
- Turnover of 1000 crore or more (or)
- Net profit of 5 crore or more

need to constitute CSR Committee. This Committee consists of 3 Directors.

1	T. Anantha Narayanan	Chairman
2	R.Jagadish	Member
3	A.Saravanan	Member

The committee formulates and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified under the companies act 2013.

8. General Body Meetings:

I. Location, time and date where last three Annual General Meetings were held are given below:

Financial Year	Date	Time	Venue
2013-14	August 14, 2014	10.00 A.M.	Narada Gana Sabha, 314,TTK Salai, Alwarpet, Chennai 600 018
2014-15	August 7, 2015	10.00 A.M	Narada Gana Sabha, 314,TTK Salai, Alwarpet, Chennai 600 018
2015-16	August 11, 2016	03.30 P.M	Narada Gana Sabha, 314,TTK Salai, Alwarpet, Chennai 600 018

II. Special Resolutions passed in the previous 3 Annual General Meetings :

1. No Special Resolution was passed in the AGM held on 14th August 2014.
2. 2. No Special Resolution was passed in the AGM held on 7th August 2015
3. The following Special Resolution was passed in the AGM held on 11th August 2016 :

   Resolution for payment of remuneration and re-appointment of Mr. R. Jagadish, Whole Time Director.

iii. Extra-Ordinary General Meetings :

a) Location, time and date where last three Extra-ordinary General Meetings were held are given below:

Date	Time	Venue
12th October, 2006	11.00 am	Narada Gana Sabha, 314,TTK Salai, Alwarpet, Chennai -18
21st February, 2008	11.00 am	46 C, Velachery Main Road, Velachery, Chennai – 42
8th March, 2010	3.00 pm	46 C, Velachery Main Road, Velachery, Chennai – 42

b) The following Special Resolutions were passed at the Extra-Ordinary General Meetings (EGM):

i. At the EGM dated 12th October, 2006
   - Resolution for amendment to Articles of Association.
   - Resolution for authorizing the increase in the limits for investment by Foreign Institutional Investors (FII) to 100%.
   - Resolution for approval of the Employment Agreement with Mr.A.Saravanan, Whole time Director.
   - Resolution for approval of the Employment Agreement with Mr.R.Jagadish, Whole time Director.

ii. At the EGM dated 21st February, 2008
   - Resolution for payment of remuneration and re-appointment of Mr. A. Saravanan, Whole time Director.
   - Resolution for payment of remuneration and re-appointment of Mr. R. Jagadish, Whole time Director.

iii. At the EGM dated 8th March, 2010
   - Resolution for payment of remuneration and re-appointment of Mr. A. Saravanan, Whole time Director.
   - Resolution for payment of remuneration and re-appointment of Mr. R. Jagadish, Whole time Director.

9. Disclosures

There have been no instances of non-compliance on any matters relating to capital markets, nor have any penalty/strictures been imposed on the company by the stock exchange or SEBI or any statutory authority on such matters.

All mandatory requirements of SEBI (LODR) Regulations 2015 have been complied with. The details of Non Mandatory requirements as adopted by company are furnished under Section B at the end of this report.

10. Means of Communication:

- The Quarterly results are being published in one leading national (English) newspaper normally Financial Express or Business Line and in one vernacular newspaper (Makkalkural or Malai Murasu or Malai Sudar). The Quarterly results are also displayed on the Company's website- www.allsectech.com.
- The Company's website also displays Annual Report, shareholding pattern, code of conduct and other shareholders information.
- The Management Discussion and Analysis Report is also given as part of the Annual Report.

11. General Shareholders Information :

A. Annual General Meeting

Date and Time: 10th August 2017 at 10.00 A.M. Venue: Narada Gana Sabha, Mini Hall, 314, TTK Salai, Alwarpet, Chennai 600 018.

B. Financial Year

The Financial Year of the Company is April – March. The results for every quarter will be declared within the time period prescribed under the SEBI (LODR) Regulation.

C. Date of Book Closure

3rd August, 2017 to 10th August, 2017 (Both days inclusive)

D. Listing on Stock Exchanges

The shares of the Company are listed on National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

E. Stock Code / Symbol

NSE – Scrip Code – Allsec
BSE – Scrip Code – 532633

F. Market Price Data – High / Low during each month in the last Financial Year & Performance in comparison to NSE/ BSE index etc

Market information details for the year 2016-2017:

Month	National Stock Exchange				Bombay Stock Exchange			
	Price		Indices		Price		Indices	
	High	Low	High	Low	High	Low	High	Low
Apr-16	156.75	112.00	7992.00	7516.85	156.90	114.00	26100.54	24523.20
May-16	213.70	135.55	8213.60	7678.35	219.50	136.60	26837.20	25057.93
Jun-16	277.75	178.05	8308.15	7927.05	278.05	179.30	27105.41	25911.33
Jul-16	303.70	250.00	8674.70	8287.55	303.00	245.95	28240.20	27034.14
Aug-16	321.35	250.00	8819.20	8518.15	321.40	251.00	28532.25	27627.97
Sep-16	295.00	211.00	8968.70	8555.20	295.00	215.00	29077.28	27716.78
Oct-16	348.00	225.80	8806.95	8506.15	348.40	236.50	28477.65	27488.30
Nov-16	357.00	263.30	8669.60	7916.40	360.00	265.00	28029.80	25717.93
Dec-16	399.90	323.35	8274.95	7893.80	400.00	322.80	26803.76	25753.74
Jan-17	463.90	363.00	8672.70	8133.80	464.00	362.00	27980.39	26447.06
Feb-17	461.00	400.25	8982.15	8537.50	460.00	400.00	29065.31	27590.10
Mar-17	430.00	350.00	9218.40	8860.10	429.90	337.00	29824.62	28716.21

G. Registrars and Transfer Agents

KARVY Computershare Private Limited
Unit : Allsec
Karvy Computershare Private Limited
Karvy Selenium Towers, No - B,
Plot No. 31-32, Gachibowli,
Financial District, Nanakramguda
Hyderabad - 500 032

H. Share Transfer System

Karvy Computershare Private Limited is the Registrar and Share Transfer Agent of the Company. The shares lodged for physical transfer /transmission/ transposition, if any, would be registered within the prescribed time limit, if the documents are complete in all respects. The shares in the dematerialised form are admitted for trading with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)

I. Category wise distribution of equity shares as of March 31, 2017:

Category	No. of Share	% of Holding
Promoters Holding :		
Indian Promoters	6149071	40.35
Person Acting in Concert	-	-
Non Promoters Holding:		
Institutional Investors	-	-
Financial Institutions/Banks	-	-
Mutual Funds	432354	2.84
Foreign Institutional Investors	-	-
Foreign Venture Capital	4702858	30.86
Foreign Corporate Bodies	-	-
Others:		
Private Corporate Bodies	382402	2.51
Indian Public	3237621	21.25
Non Resident Indians	211143	1.38
Others	122877	0.81
TOTAL	**15238326**	**100.00**

Distribution Schedule

Category (Amount)	No.of Holders	% To Holders	Amount (Rs.)	% To Equity
1 - 5000	5566	87.74	5051040	3.31
5001 - 10000	341	5.38	2659370	1.75
10001 - 20000	184	2.90	2676860	1.76
20001 - 30000	68	1.07	1735300	1.14
30001 - 40000	28	0.44	998120	0.66
40001 - 50000	25	0.39	1139210	0.75
50001 - 100000	67	1.06	4847610	3.18
100001 & ABOVE	65	1.02	133275750	87.45
Total	**6344**	**100.00**	**152383260**	**100.00**

J. Outstanding GDRs/ ADRs/ warrants or any convertible instruments conversion date and likely impact on equity- Not applicable.

K. Plant locations

Allsec Technologies has its offices/ service delivery centers in India at Chennai, Bengaluru and NCR.

The details of our subsidiaries are as given below:

Name of the Subsidiary	% of controlling Interest
Allsectech Inc, USA	100%
Allsectech Manila Inc, Philippines	100%
Retreat Capital Management Inc, USA.	100%

L. Dematerialization of shares and liquidity

As on March 31, 2017 about 99.99% of the shares were held in dematerialized form.

M. Annual Listing and Custodian Fees

The Listing fees and Custodian Fees for the year has been paid to all the Stock Exchanges and Depository participants.

N. Address for Investor Correspondence

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address (Share holders holding in physical form) or any other query relating to shares, please write to:

Karvy Computershare Private Limited

Unit : Allsec
Karvy Computershare Private Limited
Karvy Selenium Towers, No - B,
Plot No. 31-32, Gachibowli,
Financial District, Nanakramguda
Hyderabad - 500 032

For General Correspondence

Company Secretary
Allsec Technologies Limited,
46-B, Velachery Main Road,
Velachery, Chennai 600 042.
Tel.: +91 44 4299 7070 Fax: +91 44 2244 7077
E-mail : investorcontact@allsectech.com
Web site: www.allsectech.com

DECLARATION

The Board of Directors of the Company has adopted the "Code of Conduct" for the Directors and Senior Management of the Company.

All the Board Members and the Senior Management Personnel have affirmed their Compliance with the Code for the year 2016-2017.

Place : Chennai
Date: May 15, 2017

R Jagadish
Director & CEO

Independent Auditor's Certificate on Corporate Governance

To

The Members of Allsec Technologies Limited

We have examined the compliance of conditions of corporate governance by Allsec Technologies Limited ('the Company') for the year ended on 31 March 2017, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining internal control to ensure compliance with the conditions of corporate governance as stipulated in aforesaid regulations.

Auditor's Responsibility

Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 1 above. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'); and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion/ Qualified opinion

Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2017.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

This certificate has been issued solely for the purpose of complying with the aforesaid regulations. Accordingly, this certificate may not be suitable for any other purpose. It should not be used, referred to or distributed for any other purpose or to any party without our prior written consent.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sumesh E S**
Partner
Membership No.: 206931

Place: Chennai
Date: 15 May 2017

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN ITES (BPM) INDUSTRY – DEVELOPMENTS AND OUTLOOK

Indian IT/ITES - Business Process Management (BPM) industry is estimated to grow at a rate of 8% in FY2017 growing from USD 143 Bn in FY 2016 to USD 154 Bn in FY 2016. The Indian IT-BPM industry is feeling the impact of the global slowdown and global political uncertainties as clients go slow on their decision making and investment processes. Exports are likely to record a 7.6% growth to reach over USD 117 Bn up by USD 9 Bn over last year. Domestic IT BPM market is at USD 38 Bn and grew by a little over 8%.

The BPM Sector in India has grown over 1.6x in the last 5 years and is expected to touch revenues of USD 30 Bn – increase of 2 Bn over previous year. BPM industry share in total IT /ITES (BPM) Industry is increasing and for the year the share was at 19%. Exports contribute 87% of total BPM while the remaining 13% is from domestic BPM.

Indian BPM Industry - Sector-wise revenue break-up:

	2014-15	2015-16	2016-17E	% Inc
BPM USD bn	26.0	28.0	30.0	7%
-Exports USD bn	22.5	24.4	26.3	7.5%
-Domestic INR bn	210	247	260	-
-Domestic USD Bn	3.5	3.6	3.8	5.3%

Notes: E=: Estimates Figures may not add up due to rounding off.
Source: NASSCOM

Exports

BPM exports are driven by Business Process as-a-Service (BPaaS), mobility and advanced analytics. Retail, healthcare, utilities will generate significant opportunities for this sector. It grew by 7.5% in FY 2017 to touch USD 26.3 bn as compared to USD 24.2 Bn in the previous year.

Domestic

Domestic BPM segment is largely driven by BFSI, telecom and Ecommerce; also Government's Digital India initiatives is a key growth factor and development of BPM infrastructure will directly impact growth of this segment. Domestic BPM industry is likely to grow over 5% to USD 3.8 Bn.

Future Outlook

By 2020, as per NAASCOM, India's IT/ITES (BPM) industry total revenue is projected to touch USD 200 – 225 Bn and between USD 350 – 440 Bn by 2025. Digital technologies will continue to grow at a faster pace and revenues from this will have a share of 23% in 2020 and greater than 38% in 2025. Lots of opportunity for the Indian service providers in this digital space, as digital technologies continues to be embedded in an ever widening range of products and services.

The dynamics of Indian ITES (BPM) industry has shifted from a cost based to a value based proposition with benefits accruing to the Client is paramount consideration than cost reduction. Indian BPM service providers have to reach out to new cadre of Customers, place more focus on customer satisfaction, and migrate processes to business process as-a-service (BPaaS) and use analytics as an integral part of their services. The future outlook for Indian BPM industry points towards new business model and expansion to new geographies, verticals and markets.

As per NASSCOM, the business fundamentals in the ITES (BPM) segment are robust and the industry is poised to grow to a revenue of USD 54 billion by 2025.

Company Overview

Allsec is a global company with vast expertise in providing business process solutions across various industry verticals.

Your Company's solutions are testimony to the fact that Allsec is a highly customer-centric, flexible and transparent service provider. Allsec believes in enhancing its client's business experience by taking process responsibility, improving cost efficiencies, and adding value through continuous process improvements and quality assurances.

OPPORTUNITIES

❖ Core Competency

Allsec has always focussed on developing expertise in specific verticals to fuel growth. This has helped the Company sharpen training and processes for specific domains enabling achievement of domain specialization resulting in delivering quality solutions to each of our customers . Allsec takes pride on quality centric, speedy and nimble footed approach in every client engagement. The constant focus on process improvement by automation and continuous benchmarking of delivery to improve focus, have resulted in customer satisfaction every time. Our customers stand testimony to our track record of providing outstanding customer experience and maximizing their Return on Investment. ***Building Lasting Relationships*** has always been our culture and that focus enables us to deliver enhanced business value, a culture that inspires our actions and is a part of our DNA.

We expanded our offering in the domestic market by positioning our services to suit the domestic business with its unique features like multi language requirements etc. We are now a leading provider of outsourced solutions in customer engagement, sales & retention and quality assurance for businesses across BFSI, Mortgage, Telecommunication, Retail, Healthcare, Energy & Utilities and Technology.

As one of the largest outsourced payroll service providers today, Allsec manages some of the most complex pay and tax scenarios, for both global and domestic organizations from various industries. We are a market leader for payroll management and HRMS (Human Resource Management solution), handling thousands of employees across various industries. Our HRMS & payroll solutions, which are custom made to fit specific requirements, have benefited large, medium and small organizations alike. During the year, we have also expanded our bouquet of services by adding a separate "Statutory Compliance" team that focusses on providing various statutory compliances support in the HRO space.

Client Acquisition

The focus on winning fresh clients across geographies where we can serve on the strength of our core competencies on the basis of our track record of delivery and positive client references is an ongoing process. With our philosophy of long term client relationships, we are sure that we will be able to maintain our track record and strike long term relationships with all our International & Domestic clients.

In the non-voice segment, our best in class Quality Assurance process has triggered great interest in many of the captive/ outsourced centres of domestic Telecom and BFSI segment clients. Having acquired knowledge and experience of servicing in different Indian languages and with the Pan-India presence, there are enough opportunities to grow in India over and above our efforts internationally.

HRO business division is a vertical which is growing organically for us and this will continue in the coming years too. Our plan to expand HRO division to new geographies has been received very well and we have got good response in Philippines as well as the Middle East and other parts of Asia. We are confident of increasing our client base internationally in the coming year. The new markets in Asia, Africa and the US/UK markets will be the key growth area for the future in the HRO business and we believe HRO business will continue to see a significant growth in the next few years.

QUALITY

The vision of Quality and Information security at Allsec is to institutionalize excellence in quality of services and security of data of Clients, customers and Organization by developing and deploying simple, efficient and effective processes using the latest Quality models in accordance with ISO 9001:2008 interlined with data security controls prescribed by International standards such as ISO 27001:2013. ISO 9001:2008 (Quality Management System) and ISO 27001:2013 (Information Security Management) have been renewed at Chennai locationand ISO 27001:2013 has been renewed for the Manila location. PCI DSS compliance certifications have also been renewed at Chennai and Manila locations. We have also been certified for ISO 27001:2013 at the Dallas location. Further, existing ISAE 3402 which is a graduated version of SAS 70 Type II certification for HRO is renewed. Several client audits took place on information security and data privacy at all our service delivery locations and results indicated that the company accomplished required compliance with their contractual and standards requirements. We have begun transitioning of existing Quality Management system in policies, procedures and practices in accordance with ISO 9001:2015, a new and upgraded version for ISO:9001:2008 and will complete transition including certification by Jan 2018.

❖ Capacity

Today, Allsec has a pan India presence and a capacity of over 2500 seats with facilities in 3 locations which are in NCR, Bengaluru, and Chennai. Apart from India, we also have a capacity of 600 seats in Manila and around 300 seats in USA.

We have demonstrated in the earlier years our ability in setting up new Centers to cater to ramp up decision of our clients and we are confident of achieving the same in the future as well. Our strategy of right sizing capacity to match current demand has borne fruits in the past few years and capacity utilization will continue to be the focus for any new addition/ closure decisions.

THREATS

Attrition

Allsec, is in an industry where attrition is one of the major concern areas. Allsec has an annual attrition of 33% (down from 36% last year) which is almost similar to the Industry average.

The Company in the international business faces tough challenges in getting employable manpower from the available manpower pool. Allsec has been investing a lot of resources for training candidates on the basic skills that are required to make them employable. These are also done through partnering with educational institutions and governmental organization.

The attrition rate in the Domestic business is also on similar lines. Allsec has extended its learning in the International segment to Domestic market and

necessary processes are in place to ensure that right candidates are being hired, trained and retained. However, the availability of employable candidates is higher in the pool for Domestic segments.

Allsec is taking a number of measures including Mentor-Mentee system, Individual counselling etc., to maintain work force stability. The focus is on maintaining the service level and quality of delivery by developing robust processes.

RISKS AND CONCERNS

BUSINESS RISKS

As discussed in first few paragraphs, the business risks involved in our industry are varied.

The International business is affected by the global slowdown and we are actively increasing the marketing activity both by increasing the feet on street sales force as well as increase the marketing team and by doing more targeted marketing. The offshore servicing business which yields exports revenue has not grown and it continues to have a lower Capacity Utilization. We have teams in US as well as consultants in UK and will keep putting efforts to grow this business.

The Domestic business is improving gradually and pricing in the market has been increasing gradually. We now have good capacity utilization in this business at rates which are much higher than what we were getting a few years back. The plan is to keep looking for strategic contracts where we can negotiate higher rates and make this business more profitable.

HRO division has been growing organically for us and this will continue in the coming years too. Marketing efforts will be increased to market in destinations like Philippines, Middle East, Africa, UK and in the US in the coming year. The potential for growth in this division is high and efforts are on to maintain the momentum.

FINANCIAL RISKS

❖ GEOGRAPHICAL CONCENTRATION OF CLIENTS

Our Company has a global footprint and the revenues are dependent on clients located predominantly in US. As a strategy we continue to focus on increasing the share of our Revenues from US / UK as the margins are better compared to Domestic business. As a result the Company is exposed to various risks typically associated with doing business in various counties, many of which are beyond the control of the management.

❖ EXCHANGE FLUCTUATION

Movements in exchange rates continue to be a threat. There has been volatility in the exchange rate between INR and USD in the recent years and these currencies may continue to fluctuate significantly in future as well. While the rupee was range bound between INR 66-INR 68 against the USD for most part of the year, there was a sudden movement of the rupee towards the last fortnight of the financial year where in the rupee appreciated above INR 65. We are currently adopting hedging strategies as approved by the Board and in addition use bank balances in foreign currency to meet our foreign currency liabilities. Also the increase in share of domestic revenue will mitigate this risk to an extent. Our results of operation will be affected if the rupee-dollar rates continues to behave in a volatile manner in future or rupee appreciates significantly against dollar and other currencies. Our consolidated results are affected by translation as revenues by subsidiaries are mainly in USD.

❖ INDIAN TAXATION RISK

Taxes and other levies imposed by the Government of India and / or various states including Tamil Nadu may affect our performance. In particular we will be affected by the taxes and laws levied by authorities such as a) Income Tax b) Service Tax etc. We are taking adequate efforts to comply with the entire statutory requirement on an ongoing basis and the same is subject to Internal Audit on a quarterly basis. We also take the help of external consultants to handle specific issues as and when it arises.

The Central Government has proposed to introduce the new Goods and Services Tax (GST) during the financial year 2017-18. Our Company has taken necessary steps to ensure smooth transition to GST regime.

❖ CUSTOMER CREDIT RISK

Company follows a process of due client qualification in respect of orders received and contracts signed. However owing to business reasons or reasons specific to delivery / disputes there are collection risks which the company faces. There is a regular follow-up process to ensure that amounts due are billed in time and collections received in time. Regular quarterly confirmation of balance is also obtained from major clients. Due provisions are made in accounts for amounts considered not collectible.

❖ LEGAL AND CONTRACTUAL RISKS

Our business is subject to a variety of country specific regulations. Particularly, we must comply with a number of laws in the United States in relation to debt collection and telephone and email based solicitation and the mortgage servicing businesses.

The requirements of many of these regulations are complex and the failure to comply could result in enforcement or private actions which can potentially affect our reputation and in turn adversely affect our business. In addition, these laws are subject to change

and new laws affecting our business may be enacted, which could significantly affect the demand for, and our ability to provide certain service offerings and significantly increase the cost of regulatory compliance. However on an ongoing basis we have taken the following steps to mitigate this:

- We have complied on ongoing basis with all registrations/ renewals concerning telemarketing and collection licenses in USA. Our Legal /Secretarial Dept. have an internal monitoring mechanism as well as through attorneys /firms appointed in US for attending the same.
- We have complied with all relevant provisions governing call centre business in India such as DOT approval and adherence to Do Not call Registry norms.
- All Registrations as required under STPI /Customs / Labor laws and State laws are adequately monitored and complied with.
- There are no specific issues or noncompliance notified in any of these areas during the year.
- In respect of client and other commercial contracts such as lease and other purchase contracts adequate measures are in place for vetting the contracts by Legal team and due vetting and clearance procedures are followed before signing of contracts.

❖ INFRASTRUCTURE RISKS

The Company has invested substantially in the state of the art infrastructure and equipment in its centres to provide a world-class service to its customers. Service to our clients also depends on the uninterrupted functioning of these equipment, power and stability of telecom network. Any obsolescence in the infrastructure and equipment leading to incompatibility with client's systems or any disruption in the essential services may affect the business of the company. Adequate backups and redundancy measures are in place for uninterrupted functioning of IT and telecom equipment. AMC of all equipment is being monitored for timely renewals wherever needed. Insurance for fixed assets and all office locations is in force and is monitored for timely renewals and adequacy of risks covered under Office package policy.

❖ HUMAN RESOURCES RISK

ITES (BPM) industry is a labour intensive industry and the Company's success depends on its ability to retain key employees. Historically high employee attrition has been a common feature and our Company has also experienced a very high level of attrition. There have been cases of companies losing BPO orders for not being able to demonstrate a competent team that can manage a large workforce. High level of attrition further complicates the problem. There is a gap between the supply and demand of work force. Further, the available man power is not immediately employable in terms of the skill sets required for the industry. Thus the shortage of supply in quality manpower both at the managerial level and at the agent's level may significantly affect the functioning of the Company.

The mitigation actions taken by the company has been discussed in section # Threats earlier in this Report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a well-defined and documented internal control system that is adequate and commensurate with the size and nature of its business. Adequate checks and balances and control systems are established to ensure that assets of the company are safeguarded and transactions are executed under proper authorization and are properly recorded in the books of account. There exists a proper definition of roles and responsibilities across the organization to ensure information flow and effective monitoring. The Company has an independent Internal Audit carried out periodically by a firm of Chartered Accountants who draw out their audit program based on risk assessments and in consultation with the Audit committee. The Company has an Audit Committee consisting of 5 Directors which has a majority of Independent Directors. This committee reviews the internal audit reports, statutory audit reports, the quarterly and/annual financial statements and discusses all significant audit observations and follow up actions arising from them. It further monitors the risk exposures of the company. The committee also reviews and recommends to the Board the terms of appointment of the statutory auditors and internal auditors.

The Companies Act provisions relating to Internal Financial control (IFC) and Internal Financial control over Financial Reporting are applicable to your Company from the previous financial year. Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the 2013 Act" or "the Act") requires the auditors' report to state whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls. Clause (e) of Sub-section 5 of Section 134 to the Act requires the directors' responsibility statement to state that the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. The auditor's objective in an audit of internal financial controls over financial reporting is to express an opinion on the effectiveness of the company's internal financial controls over financial reporting and the procedures in respect thereof are carried out along with an audit of the financial statements. Your Company has complied with these requirements.

MATERIAL DEVELOPMENTS ON HUMAN RESOURCE FRONT INCLUDING HEAD COUNT

As at 31st March 2017, total number of employees stood at 2460 nos. which is an increase of 53 nos from the previous year end figure of 2407.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

Allsec is currently providing voice and data services to its International and Domestic clients in the Information Technology Enabled Services sector (ITES).

(Rs. In Lakhs)

For the year ended	Exports	%	Domestic	%	Total Income
31 March 2017	3897	34	7724	66	11,621
31 March 2016	3719	34	7117	66	10,836

DISCUSSION ON FINANCIAL AND OPERATIONAL PERFORMANCE AND FINANCIAL CONDITION (STANDALONE)

Overview

The following discussion is based on our audited standalone financial statements which have been prepared to comply in all material respects with the Notified accounting standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company except for changes in accounting policy if any made to ensure compliance with law for the applicable periods. The discussion should be read in conjunction with the Audited Standalone Financial statements of the Company and notes on Accounts.

RESULTS OF OPERATIONS - PERFORMANCE SUMMARY

	2016-17		2015-16		% Increase/ (decrease) over previous year
	Rs. In Lakhs	% of Total revenue	Rs. In Lakhs	% of Total revenue	
Income					
Income-Operations	11,621	97	10836	98	7
Income-Others	417	3	252	2	65
A) Income-Total	**12,038**	**100**	**11,088**	**100**	**9**
Costs					
Connectivity costs	291	2	362	3	(20)
Employee benefits expense	6,564	55	6356	57	3
Other expenses	2,843	24	2845	26	0
B) Total Costs	**9,698**	**81**	**9,563**	**86**	**1**
C) Profit before interest, tax, depreciation and amortization	**2,340**	**19**	**1,525**	**14**	**53**
Depreciation and amortization expense	336	3	503	5	(33)
Finance costs	32	0	54	0	(41)
Interest Income	(215)	(2)	(277)	(2)	(22)
D) Profit/(loss) before tax	**2,187**	**18**	**1,245**	**11**	**76**
Taxes	(217)	(2)	**297**	2	(173)
E) Profit/(loss) after Taxes	**2,404**	**20**	**948**	**9**	**154**

Earnings per share data (Basic / Diluted)

YE 31 March 2017	Rs.15.78/15.78
YE 31 March 2016	Rs 6.22 /6.22

PROFIT AND LOSS ACCOUNT

1. Income from Operations

The table below provides the details of income and its composition:

In INR Lakhs

Income	Year Ended March 31, 2017	Year Ended March 31, 2016
International Business	3,352	3,256
Exports – HRO	545	463
Domestic Business	4,158	4,138
Domestic – HRO	3,566	2,979
Total	**11,621**	**10,836**

There is an increase of 3% in export revenue aided by favorable exchange rate offset by decrease in USD billing by 3 % over previous year

Domestic revenue has remained flat during the year.

HR Operations is a vertical which is growing organically for us and this will continue in the coming years too. This Vertical has shown an increase of **20%** over previous year.

2. Other Income

Current year stood at Rs 417 Lakhs as compared to Rs 252 Lakhs in the previous year. The main movements are:

i) Dividend on Preference Shares received from our Subsidiary M/s Allsec tech Manila Inc to the tune of Rs 37 lakhs in current financial year vs Rs.13 lakhs in previous financial year.

ii) Profit on sale of current investments higher by Rs.252 lakhs compared to previous year

iii) Offset by lower gain on foreign exchange differences Rs.43 lakhs compared to previous year.

3. Expenditure

During the year there is a reduction in total expenditure of Rs. 54 lakhs (while increase in revenues amounted to Rs.785 lakhs). This was primarily due to lower connectivity costs and other cost savings offset by marginally higher manpower costs.

	Year ended March 31, 2017	Year ended March 31, 2016	Favourable (unfavourable) in % over previous year
	IN Rs Lakhs		
Connectivity cost (Note 1)	291	362	20
Employee costs and benefits (Note 2)	6,564	6,356	(3)
General and administration expenses (Note 3)	2,809	2,717	3
Selling expenses (Note 4)	34	128	73
Finance charges	32	54	41
Depreciation (Note 5)	336	503	33
	10,066	**10,120**	**1**

Note 1: The decrease in cost of connectivity is due to lower overseas call charges and savings in cost optimization efforts taken by the Company.

Note 2: The increase in employee cost is mainly on account of salary increase given to eligible employees at an average of 6% effective October 2016 and marginal increase in headcount. The increase in Salary due to these factors is Rs. 191 lakhs. Gratuity cost increased by Rs. 48 lakhs. However there is a reduction in staff welfare and recruitment expenses amounting to Rs.31 lakhs.

Note 3: Electricity cost was down by Rs.73 lacs due to lesser power shut down and 3rd party power purchases. Rent and amenities were down by Rs.88 lacs due to consolidation of centres. These were offset by bad debt written off of Rs.226 lacs.

Note 4 –Decrease in selling expenses amounting to Rs 94 Lakhs due to lower selling commission.

Note 5 – The decrease in Depreciation of Rs 167 lakhs due to some assets getting fully depreciated.

4. Provision for Tax

Provision for tax includes current tax, deferred taxes apart from MAT credit entitlement if any. During this financial year there was no current taxes provision

due to carry forward loss situation and MAT Tax was provided amounting to Rs. 466 lakhs which was offset by MAT credit entitlement of the same amount.

The Company recognised a deferred tax Asset of Rs. 217 lacs primarily relating to timing difference between book and tax depreciation and on provision for employee benefit assets. These are expected to reverse in the succeeding 2 years.

FINANCIAL CONDITION - BALANCE SHEET

(Note: Figures given in brackets refer to previous year figures)

1. Share Capital

The Equity Capital of the Company as on March 31, 2017 stands at Rs 1524 Lakhs and has remained constant over the previous Balance sheet date.

2. Reserves and Surplus

The Company's Reserves and Surplus as on March 31, 2017 stood at Rs.13,280 Lakhs represented by capital reserve at Rs 251 lakhs (same as last year), share premium on the equity shares amounting to Rs 12,019 lakhs (same as last year), Rs.1413 lakhs representing General Reserve (same as last year), Rs.(403) lakhs (previous year: Rs.(2,807) lakhs) representing debit balance in the profit and loss account shows a decrease of Rs.2,404 Lakhs during the year being the profit for the period and the reasons for the increase in profits for the year has been explained in the above paragraphs under Profit and Loss Account.

3. Long Term Borrowings

Secured loan of Rs. 25 lakhs represents balance payable towards Finance lease obligation (HP loans). This has decreased by Rs 10 lakhs during the year and this is primarily due to net repayment of HP loans during the year.

4. Long term Provisions

Non-current portion of Provision for Gratuity for the current year is at Rs 93 lakhs as against Rs. 53 lakhs in the previous year.

5. Other Current Liabilities

Trade payables being payable to suppliers of goods and services has increased by Rs. 56 lakhs from Rs.255 lakhs in 2015-16 to Rs. 311 lakhs in 2016-17.

Other liabilities were at Rs.890 lakhs as against Rs.793 lakhs an increase of Rs.97 lakhs mainly due to higher provision for gratuity and leave encashment (Rs.41 lakhs).

6. Fixed Assets – Tangible

Additions to Fixed Assets amounted to Rs.236 lakhs (previous year: Rs. 172 lakhs) in tangible fixed assets primarily due to additions to Vehicles of Rs 86 lakhs; call centre equipment and Computers and Servers - Rs.105 lakhs; office equipment of Rs 35 lakhs; Furniture of Rs 3 Lakhs and lease hold improvement of Rs. 7 Lakhs.

The Gross block value of total assets disposed off during the year amounted to Rs. 1097 lakhs (Previous year: Rs. 315 lakhs). The Assets disposed off were Call center equipment and Computers and servers – Rs 1,024 lakhs; office equipment and Furniture and Fixtures – Rs.26 lakhs and Vehicles – Rs 47 lakhs.

After providing for depreciation of Rs 212 lakhs (Previous year: Rs. 307 lakhs) for the year, the net block of fixed assets stood at Rs.505 lakhs as on March 31, 2017 compared to Rs 505 lakhs as at March 31, 2016.

7. Fixed Assets - Intangible

Intangible assets comprise block of software used for call center operation. During the year there was an addition in Software of Rs. 144 lakhs and disposal of Rs. 257 lakhs.

The closing net block of software is Rs 260 lakhs as at 31 March 2017 as against Rs. 240 lakhs for the year ended 31 March 2016.

8. Non-Current Investments

Total Investments represent the amount of equity capital invested in three subsidiaries. During the year our Subsidiary M/s Allsec Tech Manila Inc. Manila has redeemed part of Preference Shares to the tune of RS. 442 lakhs. **(USD 750,000)**

9. Loans and Advances

Long Term Loans and Advances:

Head	As at March 31, 2017	As at March 31, 2016
Security Deposits	476	459
Loan to related party	0	1,016
Prepaid expenses	8	6
Taxes receivable	1,032	871
Total	**1,516**	**2,352**

Deposits primarily reflect the security deposits for utilities and office premises paid.

Loans given to related party represented loan given to our wholly owned subsidiary in USA. This has been completely repaid in the current year.

There is a movement of Rs. 162 lakhs in taxes receivable which is mainly on account of TDS accrued during the current financial year.

10. Short Term Loans and Advances:

Head	As at March 31, 2017	As at March 31, 2016
Security Deposits	1	1
Advances recoverable	26	18
Prepaid expenses	120	93
Foreign currency receivable	41	
Balances with Statutory authorities	14	19
Total	202	131

Deposits primarily reflect the security deposits for utilities and office premises paid.

11. Trade Receivables

Current Trade receivable reduced to Rs.2,308 lakhs as at March 31, 2017 as against Rs 2,447 lakhs as at March 31, 2016.

Current Trade receivables from 100% subsidiaries amounted to Rs 66 lakhs as compared to Rs 594 lakhs in the previous year.

The sundry debtor in terms of days of sales (DSO) as at 31 March 2017 is 71 days (81 days for previous year).

12. Other Assets

Non-Current bank balances represent the Fixed Deposit given as a Margin Money for opening SBLC with Banks and are maturing after 31 March 2017. Interest accrued on those deposits is also classified with the deposit as Long term.

Other current assets represent Interest on Fixed Deposits which are maturing before 31 March 2017 and interest accrued on those deposits. Unbilled Revenues amounted to Rs. 336 lakhs (previous year Rs. 312 lakhs).

13. Current Investments

Current investments represent balances invested in mutual funds. The Balance as at 31 March 2017 is Rs.6,115 lakhs (previous year: Rs.1,911 lakhs).

14. Cash and Bank Balances

Cash and Bank balances stood at Rs 208 lakhs as at 31 March 2017 against Rs 690 lakhs as at 31 March 2016. This represents deposit accounts including margin money deposits amounting to Rs.32 lakhs (previous year: Rs.276 lakhs) and year end cash and bank balances of Rs.176 lakhs as at end March 2017 as compared to Rs. 414 lakhs as at end March 2016.

The decrease in cash and cash equivalents of Rs 482 lakhs during the year represented by

a) Net Cash inflow from operations amounting to Rs.2,060 lakhs (previous year cash outflow of Rs.1,938 lakhs)

b) Net cash used in Investing activity amounted to Rs. 2,282 lakhs (previous year net cash used of Rs 1,541 lakhs) and

c) Net cash used in financing activity amounted to Rs. 16 lakhs (previous year net cash outflow of Rs 128 lakhs)

Disclaimer This discussion and analysis report presentation may include statements that are not historical in nature and that may be characterized as "forward-looking statements", including those related to future financial and operating results, future opportunities and the growth of selected verticals in which the organization is currently engaged or proposes to enter in future. You should be aware that future results could differ materially from past performance and also those contained the forward-looking statements, which are based on current expectations of the organization's management and are subject to a number of risk and uncertainties. These risks and other factors are described in Allsec's annual reports. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company. The information presented herein should not be construed as earnings guidance under the terms of the stock exchange listing agreements.

EXTRACT OF ANNUAL RETURN
MGT- 9

as on the financial year ended on 31/03/2017
[Pursuant to section 92(3) *of the Companies Act, 2013* and rule 12(1) of the Companies Management and Administration) Rules, 2014]

I. Registration and other Details

(i)	CIN :	**L72300TN1998PLC041033**
(ii)	Registration Date :	**24/08/1998**
(iii)	Name of the company :	**Allsec Technologies Ltd**
(iv)	Category /subcategory of the company :	**Company Limited By Shares**
(v)	Address of the Registered office and contact details:	**No 7H, Century Plaza, No 560-562,Anna salai, Teynampet, Chennai – 600018.**
(vi)	Whether listed Company :	**Yes**
(vii)	Name address and contact details of Registrar and Transfer Agent, if any:	**Karvy Computer Share Pvt Limited, Karvy House No 46,8-2- 609/K,Avenue, 4,Street No.1 Banjara Hills, Hyderabad -500 034, Telengana.**

II. Principal Business Activities of the Company.

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

S.no	Name and description of main products / services	NIC code of the product service	% to total turnover of the company
1	Call Centre Services	82200	64.62%
2	Payroll Processing	78300	35.38 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

S.no	Name and address of the Company	CIN/GLN	Holding /Subsidiary/ Associate	% of shares Held	Applicable section
1	Allsectech Inc, USA	Foreign Company	Wholly owned subsidiary	100	2(87)
2	Allsectech Manila Inc	Foreign Company	Wholly owned subsidiary	100	2(87)
3	Retreat capital management Inc	Foreign Company	Wholly owned subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category of shareholders	No of shares held at the beginning of the year				No . of shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
(A) Promoter & Promoter Group									
(1) Indian									
a)Individual/HUF	6149071	-	6149071	40.35	6149071	-	6149071	40.35	-
b)Central government	-	-	-	-	-	-	-	-	-
c) State govt (s)	-	-	-	-	-	-	-	-	-
d)Bodies corporate	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Others	-	-	-	-	-	-	-	-	-
Sub total A(1) :	6149071	-	6149071	40.35	6149071	-	6149071	40.35	-
(2) Foreign									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks /FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub total A(2) Total shareholding of promoter A = A1+ A2	6149071	-	6149071	40.35	6149071	-	6149071	40.35	-
B) Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions									
a) Mutual Funds	502932	-	502932	3.30	432354	0	432354	2.84	(0.46)
b) Banks/FI	-	-	-	-	10748	0	10748	0.07	0.07
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital funds	-	-	-	-	-	-	-	-	-
f) Insurance companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h)Foreign venture capital	4702858	-	4702858	30.86	4702858	-	4702858	30.86	-
i) Funds others specify (QFI)	-	-	-	-	-	-	-	-	-

Category of shareholders	No of shares held at the beginning of the year				No . of shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
Sub total (B) (1)	5205790	-	5205790	34.16	5145960	-	5145960	33.77	(0.39)
2) Non Institutions									
a) Bodies Corp.	391555	100	391555	2.57	382402	0	382402	2.51	(0.06)
b) Individuals									
i) individual shareholders holding nominal share capital upto Rs. 1 Lakhs	1616890	94	1616984	10.61	1643824	94	1643918	10.79	0.18
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakhs	1661514	-	1661514	10.90	1671630	0	1671630	10.97	0.07
c) Others (specify) (NRI) (trust)&(CM)	213312	-	213312	1.40	245345	-	245345	1.61	0.21
Subtotal (B) (2)	3883271	194	3883465	25.48	3943201	94	3943295	25.88	0.39
Total Public shareholding (B)=(B1+B2)	9089061	194	9089255	59.65	9089161	94	9089255	59.65	0
C.Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0		0	0
Grand Total (A+B+C)	**15238132**	**194**	**15238326**	**100.00**	**15238232**	**94**	**15238326**	**100.00**	**100**

ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	% change in share holding
1	A SARAVANAN	3112119	20.42	0	3112119	20.42	0	-
2	R JAGADISH	3036952	19.93	0	3036952	19.93	0	-
	Total	6149071	40.35	0	6149071	40.35	0	-

iii) Change in Promoter's Shareholding (please specify, if there is no change)

Sl.No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1.	A. Saravanan				
	At the beginning of the year	3112119	20.42%	3112119	20.42%
		Nil			
	At the end of the year	3112119	20.42%	3112119	20.42%
2.	R.Jagadish				
	At the beginning of the year	3036952	19.93	3036952	19.93
		Nil			
	At the end of the year	3036952	19.93	3036952	19.93

iv) Shareholding Pattern of top ten Shareholders (other than Directors, promoters and holders of GDRs & ADRs)

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**FIRST CARLYLE VENTURES MAURITIUS**				
	At the beginning of the year	4702858	30.86	4702858	30.86
		Nil			
	At the End of the year	4702858	30.86	4702858	30.86
2.	**UTI-MID CAP FUND**				
	At the beginning of the year	502932	3.30		
	28/10/2016	-47321	0.31	455611	2.99
	10/03/2017	-12042	0.08	443569	2.91
	24/03/2017	-11215	0.07	432354	2.84
	At the End of the year			432354	2.84
3.	**VENTURA SECURITIES LIMITED**				
	At the beginning of the year	189690	1.24	189690	1.24

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	01/04/2016	6	0.00	189696	1.24
	08/04/2016	3424	0.02	193120	1.27
	08/04/2016	-17	0.00	193103	1.27
	15/04/2016	200	0.00	193303	1.27
	22/04/2016	950	0.01	194253	1.27
	29/04/2016	9753	0.06	204006	1.34
	06/05/2016	19781	0.13	223787	1.47
	13/05/2016	-2351	0.02	221436	1.45
	20/05/2016	-27800	0.18	193636	1.27
	27/05/2016	4773	0.03	198409	1.30
	03/06/2016	-4881	0.03	193528	1.27
	10/06/2016	-372	0.00	193156	1.27
	17/06/2016	35	0.00	193191	1.27
	24/06/2016	-35	0.00	193156	1.27
	30/06/2016	872	0.01	194028	1.27
	30/06/2016	-106224	0.70	87804	0.58
	01/07/2016	-106	0.00	87698	0.58
	08/07/2016	729	0.00	88427	0.58
	15/07/2016	1298	0.01	89725	0.59
	22/07/2016	67763	0.44	157488	1.03
	29/07/2016	-1923	0.01	155565	1.02
	05/08/2016	52	0.00	155617	1.02
	12/08/2016	118	0.00	155735	1.02
	19/08/2016	1879	0.01	157614	1.03
	19/08/2016	-8813	0.06	148801	0.98
	26/08/2016	904	0.01	149705	0.98
	02/09/2016	-514	0.00	149191	0.98
	09/09/2016	-2040	0.01	147151	0.97
	16/09/2016	-689	0.00	146462	0.96
	23/09/2016	347	0.00	146809	0.96
	30/09/2016	-427	0.00	146382	0.96
	07/10/2016	2000	0.01	148382	0.97
	07/10/2016	-125	0.00	148257	0.97
	14/10/2016	346	0.00	148603	0.98
	21/10/2016	-485	0.00	148118	0.97
	28/10/2016	810	0.01	148928	0.98
	04/11/2016	1542	0.01	150470	0.99
	11/11/2016	7908	0.05	158378	1.04
	18/11/2016	30304	0.20	188682	1.24
	18/11/2016	-34653	0.23	154029	1.01
	25/11/2016	-58970	0.39	95059	0.62
	02/12/2016	1539	0.01	96598	0.63
	09/12/2016	-1460	0.01	95138	0.62
	16/12/2016	1355	0.01	96493	0.63
	16/12/2016	-6983	0.05	89510	0.59
	23/12/2016	-1587	0.01	87923	0.58

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	30/12/2016	56	0.00	87979	0.58
	06/01/2017	731	0.00	88710	0.58
	13/01/2017	-641	0.00	88069	0.58
	20/01/2017	560	0.00	88629	0.58
	27/01/2017	-392	0.00	88237	0.58
	03/02/2017	-464	0.00	87773	0.58
	10/02/2017	193	0.00	87966	0.58
	17/02/2017	-23	0.00	87943	0.58
	24/02/2017	503	0.00	88446	0.58
	03/03/2017	-31	0.00	88415	0.58
	10/03/2017	-112	0.00	88303	0.58
	17/03/2017	-55	0.00	88248	0.58
	24/03/2017	121	0.00	88369	0.58
	31/03/2017	375	0.00	88744	0.58
	At the End of the year			88744	0.58
4.	**R RAGHAVAN**				
	At the beginning of the year	178935	1.17	178935	1.17
	27/05/2016	178935	1.17	357870	2.35
	27/05/2016	-178935	1.17	178935	1.17
	01/07/2016	48	0.00	178983	1.17
	06/01/2017	-25478	0.17	153505	1.01
	13/01/2017	-39820	0.26	113685	0.75
	20/01/2017	-18602	0.12	95083	0.62
	27/01/2017	-38775	0.25	56308	0.37
	03/02/2017	-19008	0.12	37300	0.24
	03/03/2017	29900	0.20	67200	0.44
	17/03/2017	-4880	0.03	62320	0.41
	24/03/2017	-9009	0.06	53311	0.35
	31/03/2017	-1111	0.01	52200	0.34
	At the End of the year			52200	0.34
5.	**SNEHAL BHUPENDRA SHAH**				
	At the beginning of the year	150000	0.98	150000	0.98
	11/11/2016	-11000	0.07	139000	0.91
	25/11/2016	40000	0.26	179000	1.17
	At the End of the year			179000	1.17

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	**N S RAGHURAM**				
	At the beginning of the year	113714	0.75	113714	0.75
	08/04/2016	-900	0.01	112814	0.74
	29/04/2016	-814	0.01	112000	0.73
	06/05/2016	-1000	0.01	111000	0.73
	13/05/2016	4000	0.03	115000	0.75
	20/05/2016	5000	0.03	120000	0.79
	30/06/2016	-5100	0.03	114900	0.75
	08/07/2016	-2000	0.01	112900	0.74
	22/07/2016	20400	0.13	133300	0.87
	12/08/2016	2000	0.01	135300	0.89
	02/09/2016	-4000	0.03	131300	0.86
	16/09/2016	16300	0.11	147600	0.97
	16/09/2016	-20300	0.13	127300	0.84
	23/09/2016	-10075	0.07	117225	0.77
	30/09/2016	67549	0.44	184774	1.21
	30/09/2016	-69549	0.46	115225	0.76
	04/11/2016	4775	0.03	120000	0.79
	25/11/2016	4121	0.03	124121	0.81
	25/11/2016	-4121	0.03	120000	0.79
	02/12/2016	7875	0.05	127875	0.84
	09/12/2016	50	0.00	127925	0.84
	23/12/2016	2075	0.01	130000	0.85
	06/01/2017	3900	0.03	133900	0.88
	13/01/2017	4480	0.03	138380	0.91
	20/01/2017	10000	0.07	148380	0.97
	27/01/2017	4493	0.03	152873	1.00
	27/01/2017	-2493	0.02	150380	0.99
	03/02/2017	11089	0.07	161469	1.06
	03/02/2017	-1160	0.01	160309	1.05
	17/02/2017	8000	0.05	168309	1.10
	17/02/2017	-2000	0.01	166309	1.09
	24/02/2017	8000	0.05	174309	1.14
	24/02/2017	-8000	0.05	166309	1.09
	03/03/2017	15000	0.10	181309	1.19
	03/03/2017	-10500	0.07	170809	1.12
	10/03/2017	6000	0.04	176809	1.16
	10/03/2017	-6000	0.04	170809	1.12
	17/03/2017	8376	0.05	179185	1.18
	17/03/2017	-6376	0.04	172809	1.13
	24/03/2017	6000	0.04	178809	1.17
	24/03/2017	-6000	0.04	172809	1.13
	31/03/2017	9000	0.06	181809	1.19
	31/03/2017	-9000	0.06	172809	1.13
	At the End of the year			172809	1.13

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7.	**RAMA DEVI PAIDI**				
	At the beginning of the year	100000	0.66	100000	0.66
	07/10/2016	1000	0.01	101000	0.66
	21/10/2016	800	0.01	101800	0.67
	28/10/2016	-2000	0.01	99800	0.65
	04/11/2016	1200	0.01	101000	0.66
	13/01/2017	4000	0.03	105000	0.69
	20/01/2017	3000	0.02	108000	0.71
	03/02/2017	3000	0.02	111000	0.73
	10/03/2017	413	0.00	111413	0.73
	24/03/2017	12586	0.08	123999	0.81
	31/03/2017	1000	0.01	124999	0.82
	At the End of the year			124999	0.82
8.	**ANAND MOHAN**				
	At the beginning of the year	85500	0.56	85500	0.56
	30/06/2016	-15000	0.10	70500	0.46
	04/11/2016	-500	0.00	70000	0.46
	11/11/2016	-2675	0.02	67325	0.44
	20/01/2017	-325	0.00	67000	0.44
	03/03/2017	-1000	0.01	66000	0.43
	At the End of the year			66000	0.43
9.	**HARITHA BATHINA**				
	At the beginning of the year	82000	0.54	82000	0.54
		Nil			
	At the End of the year			82000	0.54
10.	**DR BALA BALACHANDRAN**				
	At the beginning of the year	70000	0.46	70000	0.46
		Nil			
	At the End of the year			70000	0.46

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**A SARAVANAN**				
	At the beginning of the year	3112119	20.42%	3112119	20.42%
		Nil			
	At the end of the year	3112119	20.42%	3112119	20.42%
2.	**R JAGADISH**				
	At the beginning of the year	3036952	19.93	3036952	19.93
		Nil			
	At the end of the year	3036952	19.93	3036952	19.93
3.	**P.RAGHUNATH**				
	At the beginning of the year	Nil			
		Nil			
	At the end of the year	Nil		Nil	
4.	**A. MOHAN KUMAR**				
	At the beginning of the year	10	0.00	10	0.00
		Nil			
	At the end of the year			10	0.00

Note : No other Directors were holding Equity shares in the company during the year.

V. INDEBTNESS

Indebtness of the Company including interest outstanding /accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtness at the beginning of the financial year				
i) Principal Amount	74	-	-	74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	(8)	-	-	(8)
Total (i+ii+iii)	**66**	-	-	**66**
Change in Indebtness during the financial year	38			38
• Addition	(47)	-	-	(47)
• Reduction		-	-	
Net Change	(9)	-	-	(9)
Indebtness at the end of the financial year				
• Principal Amount	64	-	-	64
• Interest due not paid	-	-	-	-
• Interest accrued but not due	(7)	-	-	(7)
Total (i + ii + iii)	**57**	-	-	**57**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time Directors and /or Manager:

Sl.No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		R. Jagadish, Director & CEO	
1	**Gross Salary**		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	84,00,000	84,00,000
	b) Value of perquisites u/s17(2) Income-tax Act,1961	-	-
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat equity	-	-
4	Commission as % of profit others, specify	20,00,000	20,00,000
5	Others, please specify		
	Total (A)	104,00,000	104,00,000
Ceiling as per the Act: 5% of the net profits of the company calculated as per Section 198 & Schedule V of the Companies Act 2013.			

B. Remuneration to other Directors:

S.No	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. T. Anantha Narayan	Mr. C.Jayaram	Mr.D.Padma nabhan	Ms. Lalitha Sankaran	Mr.Krishna kumar Srinivasan	Mr.S.Prem Kumar	
	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	1,80,000	1,60,000	1,60,000	1,40,000		20,000	**6,60,000**
Total (1)		1,80,000	1,60,000	1,60,000	1,40,000		20,000	**6,60,000**
	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify					80,000		80,000
Total (2)						80,000		**80,000**
Total Managerial Remuneration = (1)+(2)		1,80,000	1,60,000	1,60,000	1,40,000	80,000	20,000	7,40,000
Overall Ceiling as per the Act: 1 % of the net profits of the Company calculated as per Section 198 of the Companies Act 2013.								

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

S.No	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,094,215	3,463,453	5,557,668
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	21,600	1,96,100	2,17,700
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	- -	- -	- -
5	Others, please specify	-	-	-
Total (A)		2,115,815	3,659,553	5,769,368

CFO - K. Narasimhan till Aug 2016 (1,747,707); P. Raghunath from Oct 2016 (1,911,846).

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	-	-			
Punishment	-				
Compounding	-				
OTHER OFFICERS IN DEFAULT					
Penalty	-	-			
Punishment	-				
Compounding	-				

Form No.MR-3

SECRETARIAL AUDIT REPORT

FINANCIAL YEAR ENDED 31st MARCH, 2017

[Pursuant to section 204(1)of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members

Allsec Technologies Limited

No.7H, Century Plaza 560-562, Anna Salai

Chennai 600 018

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Allsec Technologies Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

1) The Companies Act, 2013(the Act)and the rules made there under;
2) The Securities Contracts(Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.
5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999;
   e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   f) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015
6) Software Technology Parks of India and its regulations
7) Information Technology Act, 2000 and Information Technology Amendment Act, 2008

I have also examined compliance with the applicable clauses of the following:

i) Secretarial Standards issued by The Institute of Company Secretaries of India.
ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions were carried out with unanimous approval of the Board and there were no instance of dissent voting by any member during the period under review.

I have examined the systems and procedures of the Company as placed to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of:

i) Public / Rights / Preferential issue of shares / debentures / sweat equity.

ii) Redemption / buy-back of securities.

iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.

iv) Merger / amalgamation / reconstruction etc.

v) Foreign technical collaborations

Signature

(P. Sriram)

P. Sriram & Associates

FCS No. 4862/C P No: 3310

Place : Chennai

Date : May 15, 2017

Annexure A

To

THE MEMBERS,
ALLSEC TECHNOLOGIES LIMITED

My report of even date is to be read along with this supplementary testimony.

1) Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.

2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, the company had followed provide a reasonable basis for our opinion.

3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,

5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature

(P. Sriram)

P. Sriram & Associates

FCS No. 4862/C P No: 3310

Place : Chennai

Date : May 15, 2017

Form AOC-1

(Pursuant to first proviso to sub-section(3) of section129 read with rule5 of Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT
OF SUBSIDIARIES OR ASSOCIATE COMPANIES OR JOINT VENTURES

Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in INR)

1	Name of the subsidiary	**AllsecTech INC, USA**	**AllsecTech Manila Inc, Phillippines**	**Retreat Capital Management Inc, USA**
2	The date since when subsidiary was acquired	**14th September 2000**	**23rd November 2007**	**16th February 2011**
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	**1st April 2016 - 31st March 2017**	**1st April 2016 - 31st March 2017**	**1st April 2016 - 31st March 2017**
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	USD	Phillipine PESO	USD
5	Share Capital	121,406,592	78,320,388	2,147,812
6	Reserves and surplus	38,198,503	7,999,634	85,658,522
7	Total assets	452,069,479	123,886,767	255,034,672
8	Total Liabilities	292,464,384	37,566,746	167,228,339
9	Investments	-	-	-
10	Turnover	1,839,695,189	305,358,429	1,524,964,497
11	Profit before taxation	137,456,779	77,306,695	196,721,500
12	Provision for taxation	5,022,639	6,666,425	(6,983,678)
13	Profit after taxation	132,434,140	70,640,270	203,705,178
14	Proposed Dividend	-	-	-
15	Extent of shareholding (in percentage)	100%	100%	100%

Part B Associates and Joint Ventures

As on 31st March 2017, the company does not have any associate Company and or / Joint venture

Date : 15 May 2017
Place : Chennai

On Behalf of the Board of Directors
R. Jagadish
Director & CEO

FORM NO. AOC-2

(Pursuant to Clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts /arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third provisio thereto:

1. Details of Contracts or arrangements or transactions not at arm's length basis: **Nil**

2. Details of material contracts or arrangement or transactions at arm's length basis:

(I) (a) Name(s) of the related party and nature of relationship:	**Allsectech Inc, USA (Wholly Owned Subsidiary)**
(b) Nature of contracts/arrangements/transactions:	**Commission Agreement Renewal**
(c) Duration of the contracts / arrangements/transactions:	**2 years**
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	**Selling Commission of 5% to Allsectech Inc.**
(e) Date(s) of approval by the Board, if any:	**12th February 2016**
(f) Amount paid as advances, if any:	**Nil**
(II) (a) Name(s) of the related party and nature of relationship:	**Retreat Capital Management Inc,USA (Wholly Owned Subsidiary)**
(b) Nature of contracts/arrangements/transactions:	**Specialised Services Support**
(c) Duration of the contracts / arrangements/transactions:	**1 Year**
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	**Deployment of Specialised Resources on Need Basis.**
(e) Date(s) of approval by the Board, if any:	**12th February 2016**
(f) Amount paid as advances, if any:	**Nil**

Date : 15th May 2017
Place : Chennai

On Behalf of the Board of Directors
R.Jagadish
Director & CEO

Disclosures pursuant to Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below.

a) Table showing ratio of Remuneration of each director to the median remuneration of the employees of the company

Amount in INR

S.No	Name of the Director /KMP	Remuneration	Median Remuneration	Ratio	% Increase in Remuneration during 2016-2017
1	Mr. R. Jagadish (CEO & Director)	10,400,000	201,612	51.58	NIL
2	Mr. K. Narasimhan (CFO)*	1,747,707	201,612	10.29	NIL
3	Mr. P. Raghunath (CFO)**	1,911,846	201,612	08.94	NIL
4	Mr. A. Mohan Kumar (CS)	2,115,815	201,612	11.98	8.50

* – upto Aug 2016. ** – from Oct 16.

b) The Median Remuneration for the year 2016-17 : Rs. 201,612

c) The number of permanent employees in the Rolls of the company as of 31st March 2017 : 2460

d) Percentage of Increase in the median remuneration of employees in the financial year : 12.30%

e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Particulars	For the Financial Year 2016-17
A) average percentile increase already made in the salaries of employees other than the managerial personnel	12.30 %
B) percentile increase in the managerial remuneration	8.50%
Comparison of (A) & (B)	3.80
Justification	Due to Higher Attrition and Lower salary base the % of increase to Agents is higher.
any exceptional circumstances for increase in the managerial remuneration	NA

f) Affirmation that the Remuneration is as per the policy:

The Board has, on recommendation of the Nomination & Remuneration Committee framed a remuneration Policy for selection,appointment of Directors & Senior Management and the same is available in the website link https://www.allsectech.com/investor-information

g) Statement of Employees drawing more than the value prescribed Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – NIL

h) Disclosure of Top 10 Employees in terms of Remuneration drawn is as below:

S.No	Name	Designation of the employee	Educational Qualification	Remuneration received in fiscal year 2017	Exp. in years	Last Employement details
1	Jagadish R	Chief Executive Officer & Director	BSC.Physics, ACA & CIMA	10400000	28	Finacial Advisory firm
2	Vaithiyanathan R	Sr VP-Ops & HR	BSC.Physics, MBA JBIM (Mumbai)	5634466	22	Ranbaxy
3	Mahadevan C	VP-HR BPO	BE.Mech & MS Management systems	5127038	26	Kirloskar Oil& Gas
4	Saravanan Thambusamy	VP-Technology	BE & MBA	4238518	24	Zenta
5	Narendra Kumar	Associate VP-Corporate Quality	B.Tech,MBA, PLAM IIM-C & CISA	3603888	29	Sutherland Global Solutions
6	Mohan K.G	AVP - HR Operations	MBA	3212270	23	Kirloskar Pneumatic Company Ltd
7	Rajiv Kumar R	AVP-Operations	BE (Mech)	2597176	15	Flaxtel Systems
8	Daniel Mahimairaj K	GM - Projects	BE (Instrumentation), PMI-ACP, CSM, CSPO, CSP, PRINCE 2 Practitioner	2117854	16	-
9	Mohan Kumar A	DGM Legal & Company Secretary	BA.BL, CS & CWA	2115815	20	Cheveron India
10	Raghunath P*	Vice-President Finance	CA & ICWA	1911846	19	Fortis Malar

*From Oct 2016

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER TO THE BOARD

AS PER REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We hereby certify to the board that-

A. We have reviewed financial statements and the cash flow statement for the period ended 31st March 2017 and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

(1) significant changes in internal control over financial reporting during the year;

(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

R.Jagadish	**P.Raghunath**
Director & CEO	Chief Financial Officer

Place : Chennai

Date: May 15, 2017

To the Members of Allsec Technologies Limited
Report on the Standalone Financial Statements

1) We have audited the accompanying standalone financial statements of Allsec Technologies Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2) The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3) Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4) We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5) We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.

6) An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

8) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

Other Matter

9) The standalone financial statements of the Company as at and for the year ended 31 March 2016 were audited by the Company's previous auditors S.R.Batliboi & Associates LLP Chartered Accountants, whose report dated 20 May 2016, expressed an unqualified opinion on those financial statements. The balances as at 31 March 2016 as per the audited financial statements, regrouped and/or reclassified wherever necessary, have been considered as opening balances for the purpose of these financial statements.

Report on Other Legal and Regulatory Requirements

10) As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

11) Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The standalone financial statements dealt with by this report are in agreement with the books of accounts;

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Companies Act 2013;

f) We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 15 May 2017 as per Annexure B expressed an unqualified opinion;

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company, as detailed in Note 33 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. The Company, as detailed in Note 24 to the standalone financial statements, has made requisite disclosures in these standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

per **Sumesh E S**
Partner
Membership No.: 206931

Place: Chennai
Date: 15 May 2017

Annexure A to the Independent Auditor's Report of even date to the members of Allsec Technologies Limited, on the Standalone financial statements for the year ended 31 March 2017

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year, however, there is a regular program of verification once in two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has granted unsecured loans to a company covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest.

(b) the schedule of repayment of principal has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans was demanded during the year and repaid, in our opinion, repayment of the principal amount is regular.

(c) there is no amount which is overdue for more than 90 days in respect of loans granted to such companies.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	4	-	AY 2013-14	Commissioner of Income Tax (appeals)
Income Tax Act, 1961	Income tax	40	-	AY 2014-15	Commissioner of Income Tax (appeals)

Annexure A to the Independent Auditor's Report of even date to the members of Allsec Technologies Limited, on the Standalone financial statements for the year ended 31 March 2017

(viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank during the year. The Company did not have any outstanding debentures or loans from government during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

per **Sumesh E S**
Partner
Membership No.: 206931

Place: Chennai
Date: 15 May 2017

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1) In conjunction with our audit of the financial statements of Allsec Technologies Limited ("the Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as of that date.

Management's Responsibility for Internal Financial Controls

2) The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3) Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4) Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6) A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7) Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8) In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

per **Sumesh E S**
Partner
Membership No.: 206931

Place: Chennai
Date: 15 May 2017

Balance Sheet

(All amount are in lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	Notes	As at 31 March 2017	As at 31 March 2016
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,524	1,524
Reserves and surplus	4	13,280	10,876
		14,804	**12,400**
Non-current liabilities			
Long-term borrowings	5	25	35
Long-term provisions	6	93	53
		118	**88**
Current liabilities			
Trade payables	7		
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		311	255
Other current liabilities	8	539	483
Short-term provisions	9	351	310
		1,201	**1,048**
Total		**16,123**	**13,536**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	505	505
Intangible assets	10	260	240
Capital work-in-progress		28	-
Non-current investments	11	4,377	4,813
Deferred tax asset	12	217	-
Long-term loans and advances	13	1,516	2,352
		6,903	**7,910**
Current assets			
Current investments	14	6,115	1,911
Trade receivables	15	2,308	2,447
Cash and bank balances	16	208	690
Short-term loans and advances	17	202	131
Other current assets	18	387	447
		9,220	**5,626**
Total		**16,123**	**13,536**

Notes 1 to 41 form an integral part of the Financial Statements

This is the balance sheet referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

per Sumesh E S
Partner
Membership No: 206931

Place: Chennai
Date: May 15, 2017

For and on behalf of the Board of Directors of
Allsec Technologies Limited

A. Saravanan
Director
(DIN: 00033683)

R. Jagadish
Director
(DIN: 00033589)

P Raghunath
Chief Financial Officer

A Mohan Kumar
Company Secretary

Profit and Loss Account

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

PARTICULARS	Notes	Year ended 31 March 2017	Year ended 31 March 2016
Revenue			
Revenue from operations (net)			
- Income from IT enabled services		11,621	10,836
Other income	19	417	252
Total revenue (I)		**12,038**	**11,088**
Expenses			
Connectivity costs		291	362
Employee benefits expense	20	6,564	6,356
Other expenses	21	2,843	2,845
Total (II)		**9,698**	**9,563**
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		2,340	1,525
Depreciation and amortization expense		336	503
Finance costs	22	32	54
Interest income	23	215	277
Profit before tax		**2,187**	**1,245**
Tax expenses			
Current tax (MAT)		466	264
MAT Credit entitlement		(466)	-
MAT relating to earlier years		-	33
Deferred tax		(217)	-
Total tax expense		**(217)**	**297**
Profit for the year		**2,404**	**948**
"Earnings per equity share (Nominal value Rs.10 per share) (In Rs.)"	34		
Basic and Diluted		15.78	6.22

Notes 1 to 41 form an integral part of the Financial Statements

This is the statement of profit and loss referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

per Sumesh E S
Partner
Membership No: 206931

Place: Chennai
Date: May 15, 2017

For and on behalf of the Board of Directors of
Allsec Technologies Limited

A. Saravanan
Director
(DIN: 00033683)

R. Jagadish
Director
(DIN: 00033589)

P Raghunath
Chief Financial Officer

A Mohan Kumar
Company Secretary

Cash Flow Statement

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
A. Cash flow from operating activities		
Profit before tax	2,187	1,245
Adjustments		
Depreciation/amortization	336	503
Loss on sale of fixed assets (Net)	13	26
Net Unrealized foreign exchange loss/(gain)	41	(44)
Bad debts written off / provision for bad and doubtful debts	195	5
Interest expense	7	15
Net gain on sale of current investments	(252)	(73)
Liabilities no longer required written back	(2)	(2)
Interest income	(215)	(277)
Dividend income	(40)	(14)
Operating profit before working capital changes	**2,270**	**1,384**
Movements in working capital :		
Increase/(decrease) in trade payables and other current liabilities	110	(75)
Increase in provisions	81	46
Increase in trade receivables	(101)	(142)
Decrease in loans and advances	(77)	17
(Increase)/decrease in other assets	(62)	277
Cash generated from operations	**2,221**	**1,507**
(Direct taxes paid)/refunds received(net)	(161)	431
Net cash flow from operating activities (A)	**2,060**	**1,938**
B. Cash flows from investing activities		
Purchase of fixed assets, including Capital work-in-progress	(408)	(370)
Proceeds from sale of fixed assets	11	23
Purchase of non-current investments	(6)	-
Proceeds from withdrawal of non-current investments	442	294
Loans advanced to subsidiary	1016	-
Movement in deposits with bank (with maturity more than 3 months)	238	(45)
Proceeds from sale of current investments	27,684	6,934
Purchase of current investments	(31,636)	(8,597)
Interest received	337	206
Dividends received	40	14
Net cash used in investing activities (B)	**(2,282)**	**(1,541)**

Cash Flow Statement

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
C. Cash flows from financing activities		
Repayment of long-term borrowings	(40)	(28)
Proceeds from loans taken during the year	31	-
Proceeds from short-term borrowings	-	(85)
Interest paid	(7)	(15)
Net cash used in financing activities (C)	**(16)**	**(128)**
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(238)	269
Cash and cash equivalents at the beginning of the year	414	145
Cash and cash equivalents at the end of the year	**176**	**414**
D. Components of cash and cash equivalents		
Cash on hand	1	1
With banks- on current account	175	413
Total cash and cash equivalents (note 16)	**176**	**414**
This is the cash flow statement referred to in our report of even date		

This is the cash flow statement referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

per Sumesh E S
Partner
Membership No: 206931

Place: Chennai
Date: 15 May 2017

For and on behalf of the Board of Directors of
Allsec Technologies Limited

A. Saravanan
Director
(DIN: 00033683)

R. Jagadish
Director
(DIN: 00033589)

P Raghunath
Chief Financial Officer

A Mohan Kumar
Company Secretary

1. Corporate information

Allsec Technologies Limited ('Allsec' or the 'Company') is a public Company domiciled in India. The Company was incorporated on 24 August 1998 as a limited Company under the erstwhile Companies Act, 1956 and is listed on the National Stock Exchange of India ('NSE') and Bombay Stock Exchange Limited ('BSE'). The Company is engaged in the business of providing IT enabled services for customers located in India and outside India. The services provided by the Company include data verification, processing of orders received through telephone calls, telemarketing, monitoring quality of calls of other call centers, customer services and HR and payroll processing. The Company has delivery centers at Chennai, Bengaluru, and NCR.

The Company has three wholly owned subsidiaries, Allsectech Inc., USA, Allsectech Manila Inc., Philippines, and Retreat Capital Management Inc., USA.

The previous year figures have been audited by a firm other than Walker Chandiok& Co LLP.

2. Summary of significant accounting policies

(a) Basis of preparation of financial statements

These standalone financial statements are prepared under the historic cost convention on accrual basis of accounting in accordance with generally accepted accounting principles ("GAAP") applicable in India. GAAP comprises mandatory accounting standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and pronouncements of the Institute of Chartered Accountants of India, the provisions of Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied as in the previous year. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

Assets and liabilities are classified as current or non-current as per Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of work, the Company has ascertained its operating cycle as upto twelve months for the purpose of current and non-current classification of assets and liabilities.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting date and reported amount of revenue and expenses for the year. Significant estimates include provision for doubtful receivables and loans and advances, income taxes, future obligations under employee benefit plans, estimated useful life of tangible and intangible assets and litigations. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Tangible assets and depreciation

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted for arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Depreciation on tangible assets is provided on straight-line method over the useful lives of the assets estimated by the management. Depreciation for assets purchased/ sold during a period is proportionately charged. The management,basis its past experience and technical assessment, has estimated the useful life in order to reflect the actual usage of the assets.

The useful lives are set out below:

Asset Description	Useful lives followed by Company (Years)	Useful lives prescribed under Schedule II to the Companies Act, 2013
Plant and machinery – Computers and servers	3 - 10	3
Plant and machinery - Others	3 - 10	15
Furniture and fixtures	3 - 10	10
Office Equipment	5	5
Vehicles – Motor cycle	10	10
Vehicles – Motor cars	8	8

Leasehold improvements are amortized over the estimated useful lives or the remaining primary lease period (3 – 4 years), whichever is less.

(d) Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Subsequent to initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

(e) Leases

Where the Company is the lessee:

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

An asset under finance lease is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset and the lease term.

(f) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An asset's recoverable

amount is the higher of an asset's or cash generating unit's net selling price and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows from continuing use that are largely independent of those from other assets or group of assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the statement of profit and loss.

(g) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(h) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Income from services

Income from IT enabled services is derived from both time based and unit priced contracts. Revenue is recognised as the related services are performed in accordance with the specific terms of the contract with the customer.

Unbilled revenue:

Unbilled revenue included under other current assets represents amount recognised based on services performed in advance of billing in accordance with contractual terms.

Dividend income

Dividend income is recognised when the right to receive payment is established by the reporting date.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

(i) Foreign currency transactions and balances

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction duly approximated.

ii. Conversion

As at the reporting date, all foreign currency monetary items are restated at the exchange rate prevailing at that date duly approximated. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange difference

All exchange differences arising on settlement / conversion of foreign currency transactions are recognised as income or expenses in the period in which they arise

iv. Forward exchange contracts

In respect of forward exchange contracts entered into to hedge the foreign currency risk of the underlying monetary assets / liabilities, the exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognized in the statement of profit and loss account in the reporting period in which the exchange rates change. The premium or discount on all such contracts arising at the inception of each contract is amortized as income or expense over the life of the contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognized as income or as expense for the period.

(j) Employee benefits

Provident fund

The Company makes contribution to the statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is a defined contribution plan. The contributions made to the Regional provident fund commissioner in accordance with the applicable rules is recognised as an expense in the statement of profit and loss. The Company has no further obligation other than the contribution made on a monthly basis.

Gratuity

Gratuity is a post employment benefit and is in the nature of a defined benefit obligation. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is determined at the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are recognised in to the statement of profit and loss in the year in which such losses or gains are determined.

Compensated absences

Accumulated leaves, which are expected to be utilised or encashed within the next 12 months, are treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leaves which are expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(k) Income taxes

Tax expense comprises current and deferred tax. Provision for current income tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes.

Deferred taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognizes unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the ICAI Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

(l) Employee stock compensation cost

The accounting value of stock options is determined on the basis of "intrinsic value" representing the excess of the market price on the date of grant over the exercise price of the shares granted under the "Employees Stock Option Scheme" of the Company, and is being amortised as "Deferred employee compensation" on a straight-line basis over the vesting period in accordance with the Guidance Note on "Employee share-based payments" issued by the Institute of Chartered Accountants of India and Securities and Exchange Board of India (share-based employee benefits) Regulations, 2014.

(m) Segment reporting

Identification of segments

The Company's operations predominantly relate to IT enabled services and accordingly this is the only primary reportable segment. The Company has considered geographical segment as the secondary segment, based on the location of the customers invoiced.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(n) Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). In this scenario, the number of equity shares outstanding increases without an increase in resources due to which the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(o) Provisions

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(p) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(q) Cash and cash equivalents

In the cash flow statement, cash and cash equivalent includes cash in hand, cheques on hand, balances with banks in current accounts and demand deposit with bank with original maturities of three months or less.

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the Company are segregated based on the available information.

(r) Measurement of EBITDA

As permitted by the Schedule III to the Companies Act, 2013, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortisation expense, interest income, finance costs and tax expense.

	As at 31 March 2017	As at 31 March 2016
3 Share capital		
Authorised		
20,000,000 [31 March 2016: 20,000,000] Equity shares of Rs. 10/- each	2,000	2,000
1,350,000 [31 March 2016: 1,350,000] Convertible preference shares of Rs. 100/- each	1,350	1,350
Issued, subscribed and fully paid-up		
15,238,326 [31 March 2016: 15,238,326] Equity shares of Rs. 10/- each fully paid up	1,524	1,524
Total issued, subscribed and fully paid-up share capital	**1,524**	**1,524**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

There is no movement in equity share capital during current and previous year

(b) Rights, preferences and restrictions attached to equity shares

The Company has issued only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which can be approved by the Board of Directors.

In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% of aggregate shares in the Company

Equity shares of Rs.10/- each fully paid

	As at 31 March 2017		As at 31 March 2016	
Name of shareholder	**No. of Shares**	**% holding in the class**	**No. of Shares**	**% holding in the class**
Mr. Saravanan A	3,112,119	20.42%	3,112,119	20.42%
Mr. Jagadish R	3,036,952	19.93%	3,036,952	19.93%
First Carlyle Ventures Mauritius	4,702,838	30.86%	4,702,838	30.86%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

	Particulars	As at 31 March 2017	As at 31 March 2016
4	**Reserves and surplus**		
	Capital reserve	251	251
	Securities premium account	12,019	12,019
	General reserve	1,413	1,413
	Surplus / (deficit) in the statement of profit and loss		
	Balance at the beginning of the year	(2,807)	(3,755)
	Add : Transferred from statement of profit and loss	2,404	948
	Balance at the end of the year	**(403)**	**(2,807)**
	Total reserves and surplus	**13,280**	**10,876**
5	**Long-term borrowings**		
	From banks		
	- Finance lease obligation (Secured) (also refer note 8)#	25	35
	Total long-term borrowings	**25**	**35**

#Finance lease obligations are secured by hypothecation of the respective vehicles acquired on hire purchase and carry an average interest rate of 10 % p.a. with repayment term ranging from 3 to 5 years.

6	**Long-term provisions**		
	Provision for employee benefits		
	Provision for gratuity (also refer note 27)	93	53
	Total long-term provisions	**93**	**53**

	Particulars	As at 31 March 2017	As at 31 March 2016
7	**Trade payables**		
	Dues to micro and small enterprises (also refer note 36)	-	-
	Dues to others	311	255
		311	**255**
8	**Other current liabilities**		
	Current maturities of finance lease obligations (also refer note 5)	32	31
	Others	-	-
	- Withholding and other tax payables	106	90
	- Advance received from customers	42	12
	- Accrued salaries and benefits	236	223
	- Foreign currency payable	-	5
	- Other payables	123	122
	Total other current liabilities	**539**	**483**

There are no amounts due for payment to the Investor education and protection fund under Section 125 of the Companies Act, 2013 as at the balance sheet date.

9	**Short-term provisions**		
	Provision for employee benefits		
	Provision for gratuity (also refer note 27)	230	212
	Provision for compensated absences and others	121	98
	Total short-term provisions	**351**	**310**

10 Fixed assets

Particulars	Tangible assets							Intangible assets		
	Plant and machinery									
	Computers and servers	Call centre equipment	Office equipment	Furniture and fixtures	Leasehold improvements	Vehicles #	Total	Goodwill	Computer software	Total
Gross block										
Balance as at 31 March 2015	1,439	2,984	631	492	943	208	6,697	254	2,075	2,329
Additions	20	115	6	4	8	19	172	-	198	198
Disposals	(110)	(64)	(47)	(52)	-	(42)	(315)	-	(1)	(1)
Balance as at 31 March 2016	**1,349**	**3,035**	**590**	**444**	**951**	**185**	**6,554**	**254**	**2,272**	**2,526**
Additions	-	105	35	3	7	86	236	-	144	144
Disposals	(364)	(660)	(7)	(19)	-	(47)	(1,097)	-	(257)	(257)
Balance as at 31 March 2017	**985**	**2,480**	**618**	**428**	**958**	**224**	**5,693**	**254**	**2,159**	**2,413**
Accumulated										
Balance as at 31 March 2015	1,368	2,782	503	383	914	58	6,008	254	1,837	2,091
Charge for the year	57	116	43	48	18	25	307	-	196	196
Disposals	(112)	(64)	(36)	(41)	-	(13)	(266)	-	(1)	(1)
Balance as at 31 March 2016	**1,313**	**2,834**	**510**	**390**	**932**	**70**	**6,049**	**254**	**2,032**	**2,286**
Charge for the year	27	101	25	15	16	28	212	-	124	124
Disposals	(364)	(661)	(7)	(16)	-	(25)	(1,073)	-	(257)	(257)
Balance as at 31 March 2017	**976**	**2,274**	**528**	**389**	**948**	**73**	**5,188**	**254**	**1,899**	**2,153**
Net Block										
Balance as at 31 March 2016	**36**	**201**	**80**	**54**	**19**	**115**	**505**	**-**	**240**	**240**
Balance as at 31 March 2017	**9**	**206**	**90**	**39**	**10**	**151**	**505**	**-**	**260**	**260**

Vehicles includes vehicles taken on finance lease: Gross block Rs.165 (31 March 2016: Rs.154); Depreciation charge for the year Rs. 21 (31 March 2016: Rs.18); Accumulated depreciation Rs.64 (31 March 2016: Rs. 50); Net book value Rs.101 (31 March 2016: Rs.104)

	Particulars	As at 31 March 2017	As at 31 March 2016
11	**Non-current investments (valued at cost less Provision for other than temporary diminution)**		
	Trade investments		
I	**Investment in wholly owned subsidiaries - unquoted equity instruments**		
	Allsectech Inc, USA	**1,214**	1,214
	- 100 (31 March 2016 - 100) Common stock, fully paid up		
	Allsectech Manila Inc., Philippines	**1,020**	1,020
	- 8,12,500 (31 March 2016 - 8,12,500) Equity shares of PHP 100 each fully paid up		
	Retreat Capital Management Inc., USA	**1,307**	1,307
	- 1,160 (31 March 2016 - 1,160) Common stock of $10 each, fully paid up		
	Others		
	Tulip Renewable Powertech Private Limited	**6**	-
	- 58,500 (31 March 2016 - "Nil") Equity shares of Rs. 10 each, fully paid up		
II	Investment in wholly owned subsidiaries - unquoted preference shares		
	Allsectech Manila Inc., Philippines	**830**	1,272
	- 47,098,421 (31 March 2016 - 84,431,171) Preference shares of PHP 1 each fully paid up		
	[Also refer Note 26]		
	Total Non-current investments	**4,377**	**4,813**
	Aggregate amount of unquoted non-current investments	**4,377**	4,813
	Aggregate provision for diminution on value of non-current investments	**-**	-
12	**Deferred tax asset**		
	Timing difference between depreciation as per books and depreciations as per Income Tax (also refer note 25)	**156**	-
	On provision for employee benefits (also refer note 25)	**61**	-
	Total Deferred tax asset	**217**	-

	Particulars	As at 31 March 2017	As at 31 March 2016
13	**Long-term loans and advances (Unsecured, considered good unless stated otherwise)**		
	Security deposits	**476**	459
	Loan and advances to related parties [Also refer Note-32]	**-**	1,016
	Other loans and advances		
	- Advance income-tax (net of provision for tax)	**566**	871
	- MAT Credit entitlement	**466**	-
	- Prepaid expenses	**8**	6
	Total Long-term loans and advances	**1,516**	**2,352**
	Long-term Loans and advances to related parties include unsecured loans to - Allsectech Inc., USA	**-**	1,016
14	**Current investments (valued at lower of cost and fair value)**		
	Investments in mutual funds (unquoted)	**6,115**	1,911
	Total Current Investment	**6,115**	**1,911**

Details of current investments

Current investments in mutual funds comprise:

Name of Mutual fund	As at 31 March 2017	
	No of units (in lakhs)	Amount
Baroda Pioneer Credit Opportunities Fund - Plan B Growth	**17.22**	220
Birla Sun Life Savings Fund-Growth-Regular Plan	**3.94**	1,253
Franklin India Ultra Short Bond Fund - Super Institutional Plan - GROWTH	**52.15**	1,160
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Growth	**47.19**	1,332
HDFC Short Term Plan - Regular Plan - Growth	**3.35**	108
Kotak Floater Short Term Growth - (Regular Plan)	**0.22**	590
ICICI Prudential Flexible Income - Growth	**4.33**	1,344
Tata Dynamic Bond Fund Regular Plan - Growth	**4.29**	108
Total		**6,115**

Name of Mutual fund	March 31 2016 No of units (in lakhs)	Amount
Baroda Pioneer Treasury Advantage Fund - Plan A Growth	**0.06**	104
Baroda Pioneer Treasury Advantage Fund - Plan B Growth	**0.04**	75
Birla Sun Life Floating Rate Fund-Long Term-Growth-Regular Plan	**0.57**	104
Canara Robeco Savings Plus Fund - Regular Growth	**6.56**	154
Franklin India Ultra Short Bond Fund - Super Institutional Plan - GROWTH	**7.73**	157
Franklin India Treasury Management Account - Super Institutional Plan - Growth	**0.02**	50
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Growth	**5.63**	146
Kotak Low Duration Fund Standard Weekly Dividend (Regular Plan)	**0.10**	103
Kotak Treasury Advantage Fund - Growth (Regular Plan)	**4.19**	101
DHFL Pramerica Insta Cash Plus Fund - Growth	**0.27**	53
Taurus Liquid Fund - Regular Plan - Super Insti Growth	**0.03**	54
Taurus Ultra Short Term Bond Fund - Regular Plan - Super Insti Growth	**0.06**	101
Principal Debt Opportunities Fund Conservative Plan-Regular Plan Growth	**0.08**	180
Lic Nomura MF Liquid Fund - Growth Plan	**0.05**	128
HSBC Cash Fund - Growth	**0.03**	51
Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option	**0.01**	50
Reliance Fixed Horizon Fund - XXX - Series 9 - Growth Plan	**10.06**	100
Religare Invesco Credit Opportunities Fund - Growth	**0.06**	100
Religare Invesco Medium Term Bond Fund - Direct Plan Growth	**0.06**	100
Total		**1,911**

15	**Trade receivables (unsecured)**		
	Outstanding for a period exceeding six months from the date they are due for payment		
	- Considered good	**10**	509
	- Considered doubtful	**-**	31
	Less: Provision for doubtful receivables	**-**	(31)
		10	**509**
	Other receivables, considered good	**2,298**	1,938
	Total trade receivables	**2,308**	**2,447**
	Trade receivables from related parties include		
	Dues from Allsectech Inc, USA	**10**	170
	Dues from Retreat Capital Management Inc., USA	**56**	424

	Particulars	As at 31 March 2017	As at 31 March 2016
16	**Cash and bank balances**		
	Cash and cash equivalents		
	Balances with banks - In current accounts	**175**	413
	Cash on hand [also refer note 24]	**1**	1
		176	**414**
	Other bank balances		
	- Margin money deposit with bank@	**32**	276
		32	**276**
		208	**690**
	Margin money deposits given as security		
	@ Margin money deposits with a carrying amount of Rs. 32, [31 March 2016: Rs 276] are subject to security against the Company's letter of credit and guarantee.		
17	**Short-term loans and advances (Unsecured, considered good unless stated otherwise)**		
	Security deposits	**1**	1
	Loans and advances to related parties [also refer note 31]	**18**	10
	Other loans and advances		
	Advances to employees#	**8**	8
	Prepaid expenses	**120**	93
	Foreign currency receivable	**41**	-
	Balances with government authorities	**14**	19
	Total short-term loans and advances	**202**	**131**
	# No amount is due from officers of the Company		
	Short-term Loans and advances to related parties include		
	Allsectech Manila Inc., Philippines	**18**	10

	Particulars	As at 31 March 2017	As at 31 March 2016
18	**Other current assets (Unsecured, considered good unless stated otherwise)**		
	Unbilled revenues	**336**	312
	Interest accrued on fixed deposits	**8**	18
	Interest Accrued Receivable	**38**	-
	Interest accrued on inter-company loans (also refer note 31)	**5**	117
	Total Other current assets	**387**	**447**
19	**Other income**		
	Dividend income on		
	- Investment in subsidiaries	37	13
	- Current investments	3	1
	Gain on sale of current investments (net)	252	73
	Foreign Currency gain (net)	112	155
	Liabilities no longer required written back	2	2
	Miscellaneous income	11	8
		417	**252**
20	**Employee benefit expense**		
	Salaries and wages	5,577	5,382
	Contribution to provident and other fund	447	451
	Gratuity expense [also refer note 27]	131	83
	Staff welfare expenses	353	390
	Recruitment and training	56	50
		6,564	**6,356**

	Particulars	As at 31 March 2017	As at 31 March 2016
21	**Other expenses**		
	Power & Fuel	397	470
	Rent	797	885
	Rates and taxes	11	6
	Insurance	16	17
	Repairs and maintenance		
	Plant and machinery	307	319
	Others	275	210
	Security charges	147	144
	Selling commission	22	110
	Other selling expenses	12	18
	Travelling and conveyance	186	211
	Communication costs	26	22
	Legal and professional fees#	334	312
	Bad debts written off	195	-
	Provision for doubtful debts	-	5
	Loss on sale of fixed assets (net)	13	26
	CSR Expenditure [Refer Note 40]	5	-
	Miscellaneous expenses	100	90
		2,843	**2,845**
	# Payment to auditors (Included under legal and professional fees)		
	As auditor:		
	Statutory Audit	28	24
	In other Capacity		
	Other services (certification fees)	-	2
		28	**26**
	This payment to auditors is excluding the service tax portion charged on the same.		
22	**Finance costs**		
	Interest on secured borrowings	7	8
	Interest others	-	7
	Bank charges	25	39
		32	**54**

	Particulars	As at 31 March 2017	As at 31 March 2016
23	**Interest income**		
	Interest from:		
	- on Bank deposits	10	44
	- Inter Corporate loans	76	78
	- Others	129	155
		215	**277**

24 Details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016:

During the year, the Company had specified bank notes (SBNs) or other denomination note as defined in the MCA notification, G.S.R.308(E) dated 30 March 2017. The details of SBNs held and transacted during the period between 08 November 2016 to 30 December 2016, the denomination-wise SBNs and other notes as per the notification are given below:

(Amounts in rupees)

	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	161,500	399	161,899
+ Permitted receipts	-	458,449	458,449
- Permitted payments	-	281,331	281,331
- Amount deposited in banks	161,500	6,000	167,500
Closing cash in hand as on 30 December 2016	-	**171,517**	**171,517**

* For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated 08 November 2016.

25. Deferred Tax assets

As at the balance sheet date, the Company has re-assessed its unrecognised tax assets and, after specific consideration given to time bound contracts currently in place, continued profitable operations that have generated profits before tax of Rs 3,432 Lakhs in the current and previous year and recovery of carried forward tax losses amounting to Rs. 3,176 Lakhs in the current and previous year, has determined that these convincing factors indicate certainty in recovering previously unrecognised deferred tax assets pertaining to timing difference between depreciation as per books and deprecitation as per Income tax and on provision for employee benefit assets which are expected to reverse in the succeeding two years amounting to Rs 217 Lakhs. However, in relation to carry forward tax losses and those timing differences that would reverse after succeeding two years, the Company has applied the principles of prudence and not recognised deferred tax assets estimated at Rs. 946 Lakhs which would be re-assessed at the next balance sheet date.

26. Diminution in the value of investments and other receivables from subsidiary

The Company has investments in subsidiary, Allsectech Manila Inc., Philippines a wholly owned subsidiary aggregating to Rs. 1850 Lakhs, which are considered long-term in nature. Till March 2016, this subsidiary carried accumulated losses of Rs. 987 Lakhs. The subsidiary has made profits of Rs.706 Lakhs during the current year due to the significant steps taken by the management to improve its profitability, including entering into new service contracts with customers, rationalization of headcount, and arrangements to sub-lease excess capacities. Based on business plans, contracts on hand and their assessment of the revenue potential from new contracts and the other restructuring activities described above, the management is confident that the subsidiary will continue to remain profitable, and thereby recoup all past losses over the medium term. Accordingly, no adjustments have been made to the carrying value of long-term investments, for any diminution other than temporary in their carrying values.

27. Provision for gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service entitles to a gratuity benefit on separation from the Company or on retirement at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rupees 10 Lakhs. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following tables summarizes the components of net benefit/ expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for gratuity:

i) Amount recognised in the Statement of Profit and Loss account

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Current service cost	**32**	31
Interest cost on benefit obligation	**22**	20
Expected return on plan assets	**(1)**	(2)
Net actuarial (gain) / loss recognised in the year	**78**	34
Net employee benefit expense	**131**	83

ii) Balance sheet

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Present value of defined benefit obligation	**(365)**	(277)	(250)	(198)	(207)
Fair value of plan assets	**42**	13	17	-	9
Net liability	**(323)**	(264)	(233)	(198)	(198)
Experience adjustment on plan asset	**(53)**	(29)	(44)	(13)	6

iii) Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at 31 March 2017	As at 31 March 2016
Opening defined benefit obligation	**277**	250
Interest cost	**22**	20
Current service cost	**32**	31
Benefits paid	**(45)**	(57)
Actuarial (gains) / losses on obligation	**79**	33
Closing defined benefit obligation	**365**	277

iv) Changes in the fair value of plan assets:

Particulars	As at 31 March 2017	As at 31 March 2016
Opening fair value of plan assets	**13**	17
Expected return	**1**	2
Contributions by the Company	**72**	52
Benefits paid	**(45)**	(57)
Actuarial gains / (losses)	**1**	(1)
Closing fair value of plan assets	**42**	13
Actual return on plan assets	**2**	-

v) The major categories of plan asset as a percentage of the fair value of total plan asset are as follows:

Particulars	As at 31 March 2017	As at 31 March 2016
Investments with insurer	**100%**	100%

vi) Assumptions

Particulars	As at 31 March 2017	As at 31 March 2016
Discount rate	**7.09%**	7.79%
Expected return on plan assets	**7.09%**	7.79%
Salary increment	**5.00%**	5.00%
Attrition (with service upto 5 years)	**35.00%**	35.00%
Attrition (with service more than 5 years)	**2.00%**	2.00%

The fund is administered by Life Insurance Corporation of India. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

28. Employee stock option plans

The Company had one stock option plan that provide for the granting of stock options to employees including Directors of the Company (not being promoter Directors and Executive Directors, holding more than 10% of the equity shares of the Company). The option plans are summarized below:

Employee Stock Option Scheme (ESOS), 2010

The shareholders at the Annual General Meeting held on August 04, 2010 approved an Employee Stock Option Scheme 2010 (ESOS 2010) which provided for an issue of 600,000 options (each option convertible into 1 share) to the employees. Consequently, the compensation committee had granted the 390,000 options on August 4, 2010 and 100,000 options on August 2, 2012 at an exercise price of Rs. 45.05/- per share and Rs. 41.25/- per share respectively.

The Company has adopted the (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities and Exchange Board of India, and has recorded a compensation expense using the intrinsic value method as set out in those guidelines. All the options granted under ESOS 2010 stand lapsed / cancelled as at 31 March 2017. The summary of the movements in options are given below:

Particulars	As at 31 March 2017 (No. of options)	As at 31 March 2016 (No. of options)
Options outstanding, beginning of year	-	268,000
Options granted during the year	-	-
Options exercised during the year	-	-
Options lapsed during the year	-	268,000
Options outstanding, end of year	-	-
Options outstanding at the year end comprise :		
- Options eligible for exercise at year end	-	-
- Options not eligible for exercise at year end	-	-

The summary of the movements in options is as follows:

Particulars	No of options (2016-2017)	Weighted average exercise price	No of options (2015-2016)	Weighted average exercise price (Rs.)
Outstanding at the beginning of the year	-	NA	268,000	45.05
Granted during the year	-	-	-	-
Lapsed during the year	-	NA	268,000	45.05
Outstanding at the end of the year				
Granted in August 2010	-	NA	-	NA

Pro-forma Disclosures for ESOS 2010

The fair value of options was estimated at the date of grant using the binomial method with the following assumptions:

Particulars	ESOS 2010
Risk-free interest rate	7.25%
Expected life	5 years
Expected volatility	56%
Expected dividend yield	-
Share price on the date of grant (04.08.2010)	Rs. 45.05/-
Share price on the date of grant (02.08.2012)	Rs.41.25/-
Expected forfeiture	30%

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life; the Company expects the volatility of its share price to reduce as it matures.

29. Leases (as a lessee)

Finance leases

Vehicles include cars obtained on finance lease. The lease terms range from 3 to 5 years. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

Particulars	31 March 2017	31 March 2016
Total as at year end		
Minimum lease payments	**64**	74
Less: finance charges	**7**	8
Present value	**57**	66
Not later than one year		
Minimum lease payments	**36**	36
Less: finance charges	**4**	5
Present value	**32**	31
Later than one year but not later than five years		
Minimum lease payments	**28**	38
Less: finance charges	**3**	3
Present value	**25**	35
Later than five years		
Minimum lease payments	**Nil**	Nil
Less: finance charges	**Nil**	Nil
Present value	**Nil**	Nil

Operating leases

The Company has operating leases for Office premises in India. These lease arrangements range for a period between 12 months to 60 months and are cancellable leases. These leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
With respect to all operating leases		
Lease payments recognized in the statement of Profit and Loss	**797**	885

30. Segment information

The Company has identified business segment as its primary segment. The Company's operations predominantly relate to IT enabled services and accordingly this is the only primary reportable segment. Thus, the segment revenue, segment results, total carrying amount of segment assets and liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation during the year are all as reflected in the financial statements as at and for the year ended 31 March 2017.

The Company has identified the geographical segment as its secondary segment, based on the location of the customers invoiced.

Information about secondary segments	31 March 2017	31 March 2016
Segment revenue by location of customers		
United States of America	**2,607**	2,212
United Kingdom	**75**	366
India	**7,724**	7,116
Others	**1,215**	1,142
Total	**11,621**	10,836

Note:

Fixed assets used in the Company's business have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. The Company believes that it is currently not practicable to provide segment disclosures relating to assets, liabilities and capital expenditure since a meaningful segregation of the available data is onerous.

31. Related party disclosures (under AS 18)

1. Names of related parties and related party relationships

Relationship	Name of the Related party
Related parties where controls exist	
Wholly owned Subsidiaries	Allsectech Inc., USA Allsectech Manila Inc., Philippines Retreat Capital Management Inc., USA
Other Related parties under AS 18 with whom transactions have taken place during the year	
Key management personnel	R. Jagadish, Whole time Director

2. Transactions with related parties:

Particulars	Subsidiaries		Key Management Personnel	
	2016-17	2015-16	2016-17	2015-16
Selling commission – expenses -- Allsectech Inc	**22**	110	**-**	-
Income from service -billed to -- Allsectech Inc.	**268**	158	**-**	-
-- Retreat Capital Management Inc	**461**	-	**-**	-
Interest income on loan to -- Allsectech Inc	**76**	78	**-**	-
Receipt from Redemption of Preference shares held -- Allsec Tech Manila Inc	**442**	295	**-**	-
Dividend Received -- Allsectech Manila Inc.	**37**	13	**-**	-
Reimbursement of expenses incurred by Parent company/ (WOS)				
-- Retreat capital Management Inc	**62**	-	**-**	-
-- Allsectech Inc.	**(22)**	-	**-**	-
-- Allsectech Manila Inc	**8**	8		
Advances repaid by related parties				
-- Allsectech Inc (refer note 32)	**1016**	-	**-**	-
Remuneration – R. Jagadish*	**-**	-	**104**	84

*As the gratuity and compensated absences are computed for all the employees in aggregate, the amount relating to key managerial personnel cannot be determined individually

The Company has extended guarantees aggregating to Rs. 434(USD 6.65) Lakhs on behalf of Allsectech Inc., USA, a wholly owned subsidiary during the previous year. There were no guarantees extended as at the current year end.

3. Balances with related parties:

Particulars	Subsidiaries		Key Management personnel	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
Trade Receivable				
-- Allsectech Inc.	**10**	170	**-**	-
-- Retreat Capital Management Inc.	**56**	424	**-**	-
Payables				
-- Allsectech Inc.	**-**	39	**-**	-
Loans and Advances				
-- Allsectech Inc. (refer note 32)	**-**	1,016	**-**	-
Other assets				
--Allsectech Manila Inc.	**18**	10	**-**	-
Interest on loan to Allsectech Inc.	**5**	117	**-**	-
Remuneration Payable	**-**	-	**20**	3
Maximum amounts outstanding during the year				
Loans and Advances and other assets				
--Allsectech Manila Inc.	**18**	10	**-**	-
-- Allsectech Inc.	**1,116**	1,133	**-**	-

32. Disclosures required under Section 186(4) of the Companies Act, 2013

The Company had advanced loan to Allsectech Inc. USA, a wholly owned subsidiary during the year 2014–15 for the purpose of expansion of the subsidiary's working capital requirements, which carried an interest at the rate of Libor 7.90%. The same has been wholly repaid by the subsidiary during the current year. Also refer note 31.

33. Contingencies and commitments

Particulars	As at 31 March 2017	As at 31 March 2016
Capital commitments(that are non - cancellable)		
Estimated amount of capital contracts remaining to be Executed	**75**	41
Contingent liabilities		
Claims against the Company not acknowledged as debts		
- Income tax matters	**44**	-
Others*	**109**	109

*Represents demand received from the Tamil Nadu Electricity Board in January 2008 relating to reclassification disputes on the tariff category applicable to the Company in two of its delivery centers with retrospective effect from 2005. The Company has obtained an interim stay order from the Hon'ble High Court of Madras against this claim. The Company considers the claim to be erroneous and as not payable under the specified tariff category applicable to ITES units.

34. Earnings per equity share (EPS)

The following reflects the profit and share data used in basic and diluted EPS computation:

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Net profit available to equity shareholders	**2404**	948
Weighted average number of equity shares in calculating basic	**15,238,326**	15,238,326
Effect of dilutive equity shares		
Weighted average number of equity shares in calculating diluted EPS (numbers)	**15,238,326**	15,238,326
Par value per share (Rs.)	**10**	10
Basic and diluted EPS	**15.78**	6.22

35. Derivative instruments and unhedged foreign currency exposure

a) The Company had used derivative financial instruments in the form of forward exchange contracts to hedge its risks associated with foreign currency fluctuations during the year.

The Company uses foreign currency contracts to hedge its risks associated with foreign currency fluctuations relating to firm commitments. The Company does not use forward contracts for speculative purposes. The following are outstanding forward exchange contracts entered into by the Company as at 31 March 2017:

Particulars	As at 31 March 2017	As at 31 March 2016
	Receivable	Receivable
Number of Contracts	7	5
USD equivalent	14	11
INR equivalent	908	762

b) The details of foreign currency balances which are not hedged as at the balance sheet date are as below:

Particulars	Foreign Currency	As at 31 March 2017		As at 31 March 2016	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign Currency	Amount in Indian Rupees
Trade receivables	USD	-	-	1.90	126
	GBP	-	-	0.04	3
	EUR	0.004	0.26	0.01	1
Trade payables	USD	-	-	0.58	39
Bank balances	USD	1.62	104.84	2.05	136
	GBP	0.001	0.11	0.09	8
Loan to subsidiary	USD	-	-	15	1,016

36. Details of dues to micro and small enterprises as defined under MSMED Act, 2006

There is no overdue amount payable to suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not paid any interest to any micro and small Enterprises during the current and previous year. This information has been determined to the extent such parties have been identified on the basis of the information available with the Company.

37. Value of imports calculated on CIF basis

Particulars	As at 31 March 2017	As at 31 March 2016
Capital goods	122	94

38. Expenditure in foreign currency (accrual basis)

Particulars	As at 31 March 2017	As at 31 March 2016
Connectivity cost	76	129
Selling commission	22	110
Foreign travel	65	57
Maintenance charges	2	1
Legal and professional charges	71	100
Others	10	8
Total	246	405

39. Earnings in foreign currency (accrual basis)

Particulars	As at 31 March 2017	As at 31 March 2016
Income from Services	**3,897**	3,719
Interest on loan to related party	**76**	78
Dividend from subsidiary	**37**	13
Total	**4010**	3810

40. Expenditure on Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013, 2% of the average net profit of the last 3 years as computed under Section 198 of the Act, amounting to Rs. 13 lakhs were required to be spend towards CSR activities. During the financial year 2016-17, the Company has contributed an amount of Rs. 5 lakhs towards healthcare for underprivileged.

Particulars	In cash	Yet to be paid	Total
For the year ended 31 March 2017			
On construction/acquisition of any asset	-	-	-
On purposes other than above	5	-	5
For the year ended 31 March 2016			
On construction/acquisition of any asset	-	-	-
On purposes other than above	-	-	-

41. Previous year comparatives

Previous year figures have been regrouped/reclassified, wherever necessary, to conform to current year's classification.

This is the summary of significant accounting policies.

and other explanatory information referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

per Sumesh E S
Partner
Membership No: 206931

Place: Chennai
Date: 15 May 2017

For and on behalf of the Board of Directors

A. Saravanan
Director
(DIN: 00033683)

R. Jagadish
Director
(DIN: 00033589)

P Raghunath
Chief Financial Officer

A Mohan Kumar
Company Secretary

Consolidated Financial Statements for the year ended March 31, 2017

To
The Members of Allsec Technologies Limited

Report on the Consolidated Financial Statements

1) We have audited the accompanying consolidated financial statements of Allsec Technologies Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2) The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting recordsin accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3) Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4) While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5) We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.

6) An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

7) We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 10 of the Other Matters paragraph below,is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

8) In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the afore said consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

9) The consolidated financial statements of the Company as at and for the year ended 31 March 2016 were audited by the Company's previous auditors S.R.Batliboi & Associates LLP, Chartered Accountants, whose report dated 20 May 2016,

expressed an unqualified opinion on those financial statements. The balances as at 31 March 2016 as per the audited financial statements, regrouped and/or reclassified wherever necessary, have been considered as opening balances for the purpose of these financial statements.

10) We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of ₹8,181 lakhs and net assets of ₹3,337lakhs as at 31 March 2017, total revenues of ₹36,694 lakhs and net cash inflows amounting to ₹1,880 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors.

Report on Other Legal and Regulatory Requirements

11) As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended);

e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company are disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company,and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 32 to the consolidated financial statements.

(ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2017;

(iv) These consolidated financial statements have made requisite disclosures as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 by the Holding Company. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on consideration of the reports of the other auditors on separate financial statements and other financial information, in our opinion, these disclosures are in accordance with the books of account maintained by the respective companies.

For **Walker Chandiok& Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sumesh E S**
Partner
Membership No.: 206931

Place: Chennai
Date: 15 May 2017

Annexure A to the Independent Auditor's Report of even date to the members of Allsec Technologies Limited, on the consolidated financial statements for the year ended 31 March 2017

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Allsec Technologies Limited("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the IFCoFR of the Holding Company. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India(ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note"), issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company.

Meaning of Internal Financial Controls over Financial Reporting

A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls

Annexure A to the Independent Auditor's Report of even date to the members of Allsec Technologies Limited, on the consolidated financial statements for the year ended 31 March 2017

over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok& Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sumesh E S**
Partner
Membership No.: 206931

Place: Chennai
Date:15 May 2017

Consolidated Balance Sheet

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at 31 March 2017	As at 31 March 2016
Equity And Liabilities			
Shareholders' funds			
Share capital	3	1,524	1,524
Reserves and surplus	4	13,483	7,623
		15,007	**9,147**
Non-current liabilities			
Long-term borrowings	5	25	256
Long-term provisions	6	93	53
		118	**309**
Current liabilities			
Trade payables	7		
a) Total outstanding dues of micro enterprises and small enterprises;		-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		924	1,915
Other current liabilities	8	1,409	1,955
Short-term provisions	9	551	327
		2,884	**4,197**
Total		**18,009**	**13,653**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	691	768
Intangible assets	10	1,482	1,463
Capital work-in-progress		60	33
Non-current investments	11	6	-
Deferred tax asset	12	217	-
Long-term loans and advances	13	1,659	1,523
		4,115	**3,787**
Current assets			
Current investments	14	6,115	1,911
Trade receivables	15	4,290	5,855
Cash and bank balances	16	2,901	1,512
Short-term loans and advances	17	206	239
Other current assets	18	382	349
		13,894	9,866
Total		**18,009**	**13,653**

Notes 1 to 37 form an integral part of the consolidated financial statements

This is the consolidated balance sheet referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

per Sumesh E S
Partner
Membership No: 206931

Place: Chennai
Date: 15 May 2017

For and on behalf of the Board of Directors

A. Saravanan
Director
(DIN: 00033683)

R. Jagadish
Director
(DIN: 00033589)

P Raghunath
Chief Financial Officer

A Mohan Kumar
Company Secretary

Consolidated Profit and Loss Account

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2017	Year ended 31 March 2016
Revenue			
Revenue from operations	19	32,280	23,338
Other income	20	565	803
Total revenue (I)		**32,845**	**24,141**
Expenses			
Connectivity costs		291	362
Employee benefits expense	21	19,544	14,999
Other expenses	22	6,211	4,588
Total (II)		**26,046**	**19,949**
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		**6,799**	**4,192**
Depreciation and amortization expense	10	554	755
Finance costs	23	84	184
Interest Income	24	140	200
Profit / (Loss) before tax		**6,301**	**3,453**
Tax expenses			
Current tax		839	326
MAT Credit entitlement		(466)	-
MAT relating to earlier years		-	33
Deferred tax		(217)	-
Total tax expense		**156**	**359**
Profit after tax		**6,145**	**3,094**
"Earnings per equity share (Nominal value Rs.10 per share)	33		
Basic and Diluted		40.33	20.30

Notes 1 to 37 form an integral part of the consolidated financial statements

This is the consolidated statement of profit and loss referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

per Sumesh E S
Partner
Membership No: 206931

Place: Chennai
Date: 15 May 2017

For and on behalf of the Board of Directors

A. Saravanan
Director
(DIN: 00033683)

R. Jagadish
Director
(DIN: 00033589)

P Raghunath
Chief Financial Officer

A Mohan Kumar
Company Secretary

Consolidated Cash Flow Statement

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Particulars	Year ended 31 March 2017	Year ended 31 March 2016
A.	Cash flow from operating activities		
	Profit before tax	**6,301**	3,453
	Adjustments		
	Depreciation and amortisation	**554**	755
	Loss on sale of fixed assets (net)	**13**	26
	Net unrealized foreign exchange loss/(gain)	**(98)**	(105)
	Bad debts written off / provision for bad and doubtful debts	**195**	7
	Interest expense	**51**	133
	Net gain on sale of current investments	**(252)**	(73)
	Liabilities no longer required written back	**(2)**	(2)
	Interest income	**(140)**	(200)
	Dividend income	**(3)**	(1)
	Operating profit before working capital changes	**6,619**	**3,993**
	Movements in working capital :		
	(Decrease)/increase in trade payables and provisions	**(832)**	1,763
	Decrease/(Increase) in trade receivables	**1,257**	(2,916)
	(Increase) in loans and advances	**(53)**	(46)
	(Increase)/decrease in other assets	**(5)**	258
	Cash generated from operations	**6,986**	**3,052**
	(Direct taxes paid)/refunds received (net)	**(266)**	429
	Net cash flow from operating activities (A)	**6,720**	**3,481**
B.	**Cash flows from investing activities**		
	Purchase of fixed assets, including Capital work-in-progress	**(551)**	(380)
	Proceeds from sale of fixed assets	**7**	50
	Purchase of non-current investments	**(6)**	-
	Movement in deposits with bank (with maturity more than 3 months)	**244**	(45)
	Proceeds from sale of current investments	**27,684**	6,934
	Purchase of current investments	**(31,636)**	(8,671)
	Interest received	**114**	211
	Dividends received	**3**	1
	Net cash used in investing activities (B)	**(4,141)**	**(1,900)**

	Particulars	Year ended 31 March 2017	Year ended 31 March 2016
C.	**Cash flows from financing activities**		
	Proceeds from long-term borrowings	**31**	22
	Repayment of long-term borrowings	**(768)**	(593)
	Repayment of short-term borrowings	**-**	(85)
	Interest paid	**(51)**	(133)
	Net cash used in in financing activities (C)	**(788)**	**(789)**
	Net (decrease)/increase in cash and cash equivalents (A + B + C)	**1,791**	792
	Effect of exchange differences on cash and cash equivalents held in foreign currency	**(158)**	(1)
	Cash and cash equivalents at the beginning of the year	**1,236**	445
	Cash and cash equivalents at the end of the year	**2,869**	**1,236**
D.	**Components of cash and cash equivalents**		
	Cash on hand	**2**	1
	With banks- on current account	**2,867**	1,235
	Total cash and cash equivalents (note 16)	**2,869**	**1,236**

This is the consolidated cash flow statement referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Sumesh E S**
Partner
Membership No: 206931

Place: Chennai
Date: 15 May 2017

For and on behalf of the Board of Directors
Allsec Technologies Limited

A Saravanan
Director
(DIN :00033683)

R Jagadish
Director
(DIN :00033589)

P Raghunath
Chief Financial Officer

A Mohan Kumar
Company Secretary

Place: Chennai
Date: 15 May 2017

1. Corporate information

Allsec Technologies Limited ('Allsec' or the 'Company') was incorporated on 24 August 1998 as a limited company under the erstwhile Companies Act, 1956 and is listed on the National Stock Exchange of India ('NSE') and Bombay Stock Exchange Limited ('BSE'). The Company is engaged in the business of providing IT enabled services for customers located in India and outside India. The services provided by the Company include data verification, processing of orders received through telephone calls, telemarketing, monitoring quality of calls of other call centers, customer services and HR and payroll processing. The Company has delivery centers at Chennai, Bengaluru, and NCR.

The Company has three wholly owned subsidiaries as at the year end. They are:

- Allsectech Inc., USA ('Allsectech') – A wholly owned subsidiary of the Company incorporated on September 14, 2000 in the state of Delaware, USA. This subsidiary is engaged primarily in the business of providing marketing support services to the Company.
- Allsectech Manila Inc ('ATM') (formerly Kingdom Builders Inc, Philippines) – A wholly owned subsidiary of the company engaged in the business of IT enabled services including web development, web design, search engine optimization, strategic Teleservices, customer care and quality management. Allsec had acquired controlling interest in ATM on February 14, 2008.
- Retreat Capital Management Inc., USA ('Retreat') – The Company had acquired 66% of the outstanding equity capital of Retreat during 2011. In the previous years, the Company had acquired additional equity in Retreat, thereby increasing its holdings to 100% as at 31 March 2015. Retreat is engaged in the business of providing anti-money laundering review services and others.

Allsectech, ATM, and Retreat shall hereinafter, be collectively referred to as "the Subsidiaries". Allsec, along with Subsidiaries, shall hereinafter, be collectively referred to as "the Group".

The previous year figures have been audited by a firm other than Walker Chandiok & Co LLP.

2. Basis of preparation of consolidated financial statement

The consolidated financial statements are prepared under the historic cost convention on accrual basis of accounting in accordance with generally accepted accounting principles ("GAAP") applicable in India. GAAP comprises mandatory accounting standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and pronouncements of the Institute of Chartered Accountants of India, the provisions of Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied as in the previous year. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

Assets and liabilities are classified as current or non-current as per Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of work, the Company has ascertained its operating cycle as upto twelve months for the purpose of current and non-current classification of assets and liabilities.

2.1 Summary of significant accounting policies

(a) Principles of consolidation

The Consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the accounting standards 21 (AS 21) on Consolidated Financial Statements, as specified in the standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and pronouncements of the Institute of Chartered Accountants of India.

The financial statements of the parent company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transaction and unrealized profits in full.

Excess of acquisition cost over the carrying amount of the parent company's share of equity of the acquiree at the date of acquisition is recognized as goodwill. In cases where the share of the equity in the acquiree as on the date of acquisition is in excess of acquisition cost, such excess of share in equity is recognised as 'Capital reserve' and classified under 'Reserves and Surplus'. The parent company's share of equity in the subsidiary is determined on the basis of book values of assets and liabilities as per the financial statements of the subsidiary as at the date of acquisition.

The amounts shown in respect of reserves comprise the amount of relevant reserves as per the balance sheet of the parent company and its share in the relevant reserves of the subsidiary.

The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company i.e. year ended 31 March 2017.

As far as practicable, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements. Differences in accounting policies are disclosed separately.

As per Accounting Standard 21 - Consolidated Financial Statements prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary or the parent having no bearing on the true and fair view of the consolidated financial statements of the group is not disclosed in the consolidated financial statements.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting date and reported amount of revenue and expenses for the year. Significant estimates include provision for doubtful receivables and loans and advances, income taxes, future obligations under employee benefit plans, estimated useful life of tangible and intangible assets and litigations. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Tangible asserts and depreciation

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Depreciation on tangible assets is provided on straight-line method over the useful lives of the assets estimated by the management. Depreciation for assets purchased/ sold during a period is proportionately charged. The management, basis its past experience and technical assessment, has estimated the useful life in order to reflect the actual usage of the assets.

The useful lives are set out below:

Asset Description	Useful lives followed by Company (Years)	Useful lives prescribed under Schedule II to the Companies Act, 2013
Plant and machinery – Computers and servers	3 - 10	3
Plant and machinery - Others	3 - 10	15
Furniture and fixtures	3 - 10	10
Office Equipment	5	5
Vehicles – Motor cycle	10	10
Vehicles – Motor cars	8	8

Leasehold improvements are amortised over the estimated useful lives or the remaining primary lease period (3 – 4 years), whichever is less.

The assets of Allsectech aggregating to Rs. 226 (1.75% of the total group assets) are depreciated using straight line method over its estimated useful life of 3 years for computers and accessories and 5 years for networking equipments and furniture and fixtures.

The assets of ATM aggregating to Rs. 1,685 (13.00% of the total group assets) and assets of Retreat aggregating to Rs. 1,444 (11.14% of the group assets) are depreciated using the straight line method over its estimated useful life as follows:

Asset Description	Useful life
Computer and accessories	3 years
Furniture and fixtures	5 years
Vehicles	5 years
Leasehold improvements*	5 years
Office equipments	5 years

*Leasehold improvements are depreciated over the primary term of the lease.

No adjustments have been recognised for the difference arising on account of differing estimates of useful life for similar group of assets in the consolidated entities, since Management believes that such differing estimates are appropriate having regard to the pattern of usage of such assets in each of the entities.

(d) Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised on a straight line basis over the estimated useful economic life.

Computer software

Costs incurred towards purchase of computer software are depreciated using the straight-line method over a period based on management's estimate of useful lives of such software of 4 years, or over the license period of the software, whichever is shorter.

Goodwill

Goodwill on consolidation and acquisition are amortised using the straight-line method over a period of five years based on management estimates. Goodwill on acquisitions after April 1, 2010 has been tested for impairment and are not amortised.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

(e) Leases

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as

finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

An asset under finance lease is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset and the lease term.

(f) Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows from continuing use that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the Statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the statement of profit and loss.

The carrying amount of goodwill arising on consolidation is reviewed for impairment in accordance with the requirements of Accounting Standard 28 "Impairment of Assets" and impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount.

(g) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(h) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before the revenue is recognised.

Income from services

Income from IT enabled services is derived from both time based and unit priced contracts. Revenue is recognised as the related services are performed in accordance with the specific terms of the contract with the customer.

Retreat's services consist of the business of providing assistance in respect of anti-money laundering review services to a correspondent bank. Revenue is recognised as services are performed in accordance with the specific terms of the contract with the customer.

Unbilled revenue

Unbilled revenue included under other current assets represents amount recognised based on services performed in advance of billing in accordance with contractual terms

Dividend income

Dividend income is recognised when the right to receive payment is established by the reporting date.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

(i) Foreign currency transactions and balances

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction duly approximated.

ii. Conversion

As at the reporting date, all foreign currency monetary items are restated at the exchange rate prevailing at that date duly approximated. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange difference

All exchange differences arising on settlement / conversion of foreign currency transactions are recognised as income or expenses in the period in which they arise

iv. Forward exchange contracts

In respect of forward exchange contracts entered into to hedge the foreign currency risk of the underlying monetary assets / liabilities, the exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognised in the statement of profit and loss account in the reporting period in which the exchange rates change. The premium or discount on all such contracts arising at the inception of each contract is amortised as income or expense over the life of the contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognised as income or as expense for the period.

Translation of integral and non-integral foreign operation

The group classifies all its foreign operations as either "integral foreign operations" or "non- integral foreign operations".

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself. The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Items of profit and loss are translated at the average exchange rates for the year. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognised in the statement of profit and loss.

(j) Employee benefits

Provident fund

The Company makes contribution to the statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is a defined contribution plan. The contributions made to the Regional provident fund commissioner in accordance with the applicable rules is recognised as an expense in

the statement of profit and loss. The Company has no further obligation other than the contribution made on a monthly basis.

Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit obligation. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is determined at the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are recognised in the statement of profit and loss in the year in which such losses or gains arise.

Compensated absences

Accumulated leaves, which are expected to be utilized within the next 12 months, are treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leaves which are expected to be carried forward beyond 12 months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the Balance Sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(k) Income taxes

Tax expense comprises current and deferred income taxes. Provision for current income tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes.

Deferred taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the ICAI Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(l) Employee stock compensation cost

The accounting value of stock options is determined on the basis of "intrinsic value" representing the excess of the market price on the date of grant over the exercise price of the shares granted under the "Employees Stock Option Scheme" of the Company, and is being amortised as "Deferred employee compensation" on a straight-line basis over the vesting period in accordance with the Guidance Note on "Employee share-based payments" issued by the Institute of Chartered Accountants of India and Securities and Exchange Board of India (share-based employee benefits) Regulations, 2014.

(m) Segment reporting

Identification of segments

The Group's operations predominantly relate to IT enabled services to customers in and outside India, mortgage services to customers outside India and accordingly these have been considered as primary reportable segment. The Group has considered geographical segment as the secondary segment, based on the location of the customers.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

(n) Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). In this scenario, the number of equity shares outstanding increases without an increase in resources due to which the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(o) Provisions

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(p) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

(q) Cash and cash equivalents

In the cash flow statement, cash and cash equivalent consist of cash in hand, cheques on hand, balances with banks in current accounts and demand deposits with banks with original maturities of three months or less.

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the Company are segregated based on the available information.

(r) Measurement of EBITDA

As permitted by the Schedule III to the Companies Act, 2013, the Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortisation expense, interest income, finance costs and tax expense.

Particulars	As at 31 March 2017	As at 31 March 2016
3 Share capital		
Authorized shares		
20,000,000 [March 31, 2016: 20,000,000] Equity shares of Rs. 10/- each	2,000	2,000
1,350,000 [March 31, 2016: 1,350,000] Convertible Preference Shares of Rs. 100/- each	1,350	1,350
Issued, subscribed and fully paid-up shares		
15,238,326 [March 31, 2016: 15,238,326] Equity Shares of Rs. 10/- each fully paid up	**1,524**	**1,524**
Total issued, subscribed and fully paid-up share capital	**1,524**	**1,524**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

There is no movement in equity share capital during current and previous year

(b) Rights, preferences and restrictions attached to equity shares

The Company has issued only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which can be approved by the Board of Directors.

In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% of aggregate shares in the Company

Equity shares of Rs.10/- each fully paid

	As at 31 March 2017		As at 31 March 2016	
Name of shareholder	**No. of Shares**	**% holding in the class**	**No. of Shares**	**% holding in the class**
Mr. Saravanan A	3,112,119	20.42%	3,112,119	20.42%
Mr. Jagadish R	3,036,952	19.93%	3,036,952	19.93%
First Carlyle Ventures Mauritius	4,702,838	30.86%	4,702,838	30.86%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Particulars	As at 31 March 2017	As at 31 March 2016
4 Reserves and surplus		
Capital reserve	251	251
Securities premium account	12,019	12,019
General reserve	1,413	1,413
Surplus/(deficit) in the statement of profit and loss		
Balance at the beginning of the year	(6,270)	(9,364)
	6,145	3,094
Balance at the end of the year	**(125)**	**(6,270)**
Foreign currency translation reserve		
Balance at the beginning of the year	210	302
Add: Exchange difference during the year on net investment in non-integral operations	(285)	(92)
Net Foreign currency translation reserve	**(75)**	**210**
Total reserves and surplus	**13,483**	**7,623**
5 Long-term borrowings		
Finance lease obligation (Secured) (also refer note 8)*	25	35
Line of Credit**	-	221
Total long-term borrowings	**25**	**256**

*Finance lease obligations are secured by hypothecation of the respective vehicles acquired on hire purchase and carry an average interest rate of 10 % p.a. with repayment term ranging from 3 to 5 years.

** Represents the line of credit taken by Retreat, which is secured against all business assets of Retreat. The line of credit carries interest @ 5.25 % p.a and has been repaid during the year.

6 Long-term provisions		
Provision for employee benefits		
Provision for gratuity	93	53
Total long term provisions	**93**	**53**

Particulars	As at 31 March 2017	As at 31 March 2016
7 Trade payables		
Dues to micro and small enterprises (also refer note 34)	-	-
Dues to others	924	1915
Total Trade Payable	**924**	**1,915**
8 Other current liabilities		
Current maturities of long-term borrowings (Includes current maturity of finance lease obligation and line of credit)	32	528
- Advance received from customer	42	12
- Withholding and other tax payables	145	240
- Accrued salaries and benefits	834	864
- Foreign Currency Payable	-	5
- Other payables	123	122
- Other non trade payables	233	184
Total other current liabilities	**1,409**	**1,955**
There are no amounts due for payment to the Investor education and protection fund under Section 125 of the Companies Act, 2013 as at the balance sheet date.		
9 Short-term provisions		
Provision for employee benefits		
Provision for gratuity (also refer note 27)	230	212
Provision for compensated absences and others	121	98
	351	**310**
Other provisions		
Provision for taxation (net of advance taxes)	200	17
Total short term provisions	**551**	**327**

10 Fixed assets

Particulars	Tangible assets							Intangible assets			
	Plant and machinery										
	Computers and servers	Call centre equipment	Office equipment @	Furniture and fixtures	Leasehold improvements	Vehicles #	Total	Goodwill on acquisition	Computer software	Goodwill on Consolidation	Total
Gross block											
Balance as at 31 March 2015	2,848	3,198	985	947	1,764	215	9,957	254	2,240	1,530	4,024
Additions	34	95	13	5	15	20	182	-	198	-	198
Disposals	(256)	(64)	(47)	(52)	(61)	(42)	(522)	-	(8)	-	(8)
Foreign exchange fluctuation	60	49	15	18	45	-	187	-	13	-	13
Balance as at 31 March 2016	**2,686**	**3,278**	**966**	**918**	**1,763**	**193**	**9,804**	**254**	**2,443**	**1,530**	**4,227**
Additions	70	106	36	3	82	87	384	-	145	-	145
Disposals	(364)	(660)	(7)	(19)	-	(56)	(1,106)	-	(258)	-	(258)
Foreign exchange fluctuation	(110)	(4)	(27)	(6)	(78)	-	(225)	-	(4)	-	(4)
Balance as at 31 March 2017	**2,282**	**2,720**	**968**	**896**	**1,767**	**224**	**8,857**	**254**	**2,326**	**1,530**	**4,110**
Accumulated depreciation/ amortisation											
Balance as at 31 March 2015	2,608	3,068	742	681	1,649	61	8,809	254	1,985	281	2,520
Charge for the year	79	112	79	108	115	27	520	-	235	-	235
Disposals	(260)	(64)	(36)	(39)	(39)	(15)	(453)	-	(1)	-	(1)
Foreign exchange fluctuation	59	43	10	10	38	-	160	-	10	-	10
Balance as at 31 March 2016	**2,486**	**3,159**	**795**	**760**	**1,763**	**73**	**9,036**	**254**	**2,229**	**281**	**2,764**
Charge for the year	56	101	62	72	108	32	431	-	126	-	126
Disposals	(366)	(660)	(7)	(16)	(1)	(36)	(1,086)	-	(258)	-	(258)
Foreign exchange fluctuation	(104)	(4)	(26)	(6)	(75)	-	(215)	-	(4)	-	(4)
Balance as at 31 March 2017	**2,072**	**2,596**	**824**	**810**	**1,795**	**69**	**8,166**	**254**	**2,093**	**281**	**2,628**
Net Block											
Balance as at 31 March 2016	**200**	**119**	**171**	**158**	**-**	**120**	**768**	**-**	**214**	**1,249**	**1,463**
Balance as at 31 March 2017	**210**	**124**	**144**	**86**	**-**	**155**	**691**	**-**	**233**	**1,249**	**1,482**

Vehicles include vehicles taken on finance lease: Gross block Rs.165 (31 March 2016: Rs.180); Depreciation charge for the year Rs. 21 (31 March 2016: Rs.25); Accumulated depreciation Rs.64 (31 March 2016: Rs. 67); Net book value Rs.101 (31 March 2016: Rs.114)

@ Office Equipments includes equipments taken on finance lease: Gross block Rs. Nil (March 31, 2016: Rs. 166) ; Depreciation charge for the year Rs. Nil (March 31, 2016: Rs.33); Accumulated depreciation Rs. Nil (March 31, 2016: Rs. 94) ; Net book value Rs.Nil (March 31, 2016: Rs. 72).

	Particulars	As at 31 March 2017	As at 31 March 2016
11	**Non-current investments (Valued at cost less provision for other than temporary diminution)**		
	Trade investments		
	Other non-current investments - unquoted equity instruments	-	-
	Tulip Renewable Powertech Privated Limited		
	- 58,500 (31 March 2016 - "Nil") Equity shares of Rs. 10 each, fully paid up	6	-
	Total NDN current investments	**6**	**-**
	Aggregate amount of unquoted non-current investments	6	-
	Aggregate provision for diminution on value of non-current investments	-	-
12	**Deferred tax asset**		
	Timing difference between depreciation as per books and depreciation as per Income Tax (also refer note 26)	156	-
	Provision for employee benefits (also refer note 26)	61	-
	Total Deferred tax asset	**217**	**-**
13	**Long-term loans and advances (Unsecured, considered good unless stated otherwise)**		
	Security deposit	619	560
	Other loans and advances		
	– Advance income-tax (net of provision for tax)	566	957
	– MAT Credit entitlement	466	-
	– Prepaid expenses	8	6
	Total Long-term loans and advances	**1,659**	**1,523**

	Particulars	As at 31 March 2017	As at 31 March 2016
14	**Current investments (valued at lower of cost and fair value)**		
	Investments in mutual funds (unquoted)	6,115	1,911
	Total current investments	**6,115**	**1,911**

Details of current investments

Current investments in mutual funds comprise:

Name of Mutual fund	As at 31 March 2017	
	"No of units (in lakhs)"	Amount
Baroda Pioneer Credit Opportunities Fund - Plan B Growth	17.22	220
Birla Sun Life Savings Fund-Growth-Regular Plan	3.94	1,253
Franklin India Ultra Short Bond Fund - Super Institutional Plan - GROWTH	52.15	1,160
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Growth	47.19	1,332
HDFC Short Term Plan - Regular Plan - Growth	3.35	108
Kotak Floater Short Term Growth - (Regular Plan)	0.22	590
ICICI Prudential Flexible Income - Growth	4.33	1,344
Tata Dynamic Bond Fund Regular Plan - Growth	4.29	108
TOTAL		**6,115**

Name of Mutual fund	As at 31 March 2017	
	No of units	Amount
Baroda Pioneer Treasury Advantage Fund - Plan A Growth	0.06	104
Baroda Pioneer Treasury Advantage Fund - Plan B Growth	0.04	75
Birla Sun Life Floating Rate Fund-Long Term-Growth-Regular Plan	0.57	104
Canara Robeco Savings Plus Fund - Regular Growth	6.56	154
Franklin India Ultra Short Bond Fund - Super Institutional Plan - GROWTH	7.73	157
Franklin India Treasury Management Account - Super Institutional Plan - Growth	0.02	50
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Growth	5.63	146
Kotak Low Duration Fund Standard Weekly Dividend (Regular Plan)	0.10	103
Kotak Treasury Advantage Fund - Growth (Regular Plan)	4.19	101
DHFL Pramerica Insta Cash Plus Fund - Growth	0.27	53
Taurus Liquid Fund - Regular Plan - Super Insti Growth	0.03	54
Taurus Ultra Short Term Bond Fund - Regular Plan - Super Insti Growth	0.06	101
Principal Debt Opportunities Fund Conservative Plan-Regular Plan Growth	0.08	180
Lic Nomura MF Liquid Fund - Growth Plan	0.05	128
HSBC Cash Fund - Growth	0.03	51
Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option	0.01	50
Reliance Fixed Horizon Fund - XXX - Series 9 - Growth Plan	10.06	100
Religare Invesco Credit Opportunities Fund - Growth	0.06	100
Religare Invesco Medium Term Bond Fund - Direct Plan Growth	0.06	100
TOTAL		**1,911**

	Particulars	As at 31 March 2017	As at 31 March 2016
15	**Trade receivables (unsecured)**		
	Outstanding for a period exceeding six months from the date they are due for payment		
	- Considered good	10	-
	- Considered doubtful	-	31
	Less: Provision for doubtful receivables	-	(31)
		10	**-**
	Other receivables, considered good	4,280	5,855
	Total trade receivables	**4,290**	**5,855**
16	**Cash and cash equivalents**		
	Balances with banks - In current accounts	2,867	1,235
	Cash on hand (also refer note 25)	2	1
		2,869	**1,236**
	Other bank balances		
	- Margin money deposits with banks@	32	276
		32	**276**
	Total cash and cash equivalents	**2,901**	**1,512**

Margin money deposits given as security

@ Margin money deposits with a carrying amount of Rs. 32, [31 March 2016: Rs 276] are subject to security against the Company's letter of credit and guarantee.

	Particulars	As at 31 March 2017	As at 31 March 2016
17	**Short-term loans and advances (Unsecured, considered good unless stated otherwise)**		
	Security deposit	1	1
	Other loans and advances		
	Advances to employees#	10	29
	Prepaid expenses	140	190
	Foreign currency receivable	41	-
	Balances with government authorities	14	19
	Total Short-term loans and advances	**206**	**239**
	# No amount is due from officers of the Company		
18	**Other Current Assets (Unsecured, considered good unless stated otherwise)**		
	Unbilled revenues	336	331
	Interest accrued on fixed deposits	8	18
	Interest accrued receivable	38	-
	Total Other current assets	**382**	**349**
19	**Revenue from operations**		
	Income from IT enabled services	32,280	23,338
		32,280	**23,338**
20	**Other income**		
	Dividend income on current investments	3	1
	Gain on sale of current investments (net)	252	73
	Foreign currency gain, net	162	173
	Liabilities no longer required written back	2	2
	Rental income	143	554
	Miscellaneous income	3	-
	Total	**565**	**803**

	Particulars	As at 31 March 2017	As at 31 March 2016
21	**Employee benefit expense**		
	Salaries and wages	**18,222**	13,755
	Contribution to provident and other fund	**592**	587
	Gratuity expense (also refer note 27)	**131**	84
	Staff welfare expenses	**405**	431
	Recruitment and training	**194**	142
		19,544	**14,999**
22	**Other expenses**		
	Power and fuel	**564**	635
	Rent	**1,408**	1,407
	Rates and taxes	**100**	92
	Insurance	**48**	58
	Repairs and maintenance		
	Plant and machinery	**457**	416
	Others	**360**	259
	Security charges	**175**	207
	Other selling expenses	**664**	36
	Travelling and conveyance	**404**	309
	Communication costs	**148**	154
	Support Services	**686**	-
	Legal and professional fees#	**872**	844
	Bad debts written off	**195**	-
	Provision for bad and doubtful debts	**-**	7
	Loss on sale of fixed assets (net)	**13**	26
	Expenditure on CSR activities (Refer note 36)	**5**	-
	Miscellaneous expenses	**112**	138
		6,211	**4,588**
	# Payment to auditor (Included under legal and professional fees)		
	As auditor:		
	Statutory audit	**28**	24
	In other capacity:		
	Other services (certification fees)	-	2
		28	**26**

This payment to auditors is excluding the service tax portion charged on the same.

	Particulars	As at 31 March 2017	As at 31 March 2016
23	**Finance costs**		
	Interest on secured borrowings	**7**	8
	Interest - Others	**44**	125
	Bank charges	**33**	51
		84	**184**
24	**Interest income**		
	Interest from:		
	on Bank deposits	**10**	44
	on Others	**130**	156
		140	**200**

25 Details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016:

During the year, the Company had Specified Bank Notes (SBNs) or other denomination note as defined in the MCA notification, G.S.R.308(E) dated 30 March 2017. The details of SBNs held and transacted during the period between 08 November 2016 to 30 December 2016, the denomination-wise SBNs and other notes as per the notification are given below:-

(Amounts in rupees)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	161,500	399	161,899
+ Permitted receipts	-	458,449	458,449
- Permitted payments	-	281,331	281,331
- Amount deposited in banks	161,500	6,000	167,500
Closing cash in hand as on 30 December 2016	-	**171,517**	**171,517**

*For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407 (E), dated 08 November 2016.

26. Deferred Tax assets

As at the balance sheet date, the Company has re-assessed its unrecognised tax assets and, after specific consideration given to time bound contracts currently in place, continued profitable operations that have generated profits before tax of Rs 3,432 Lakhs in the current and previous year and recovery of carried forward tax losses amounting to Rs. 3,176 Lakhs in the current and previous year, has determined that these convincing factors indicate certainty in recovering previously unrecognised deferred tax assets pertaining to timing difference between depreciation as per books and deprecitation as per Income tax and on provision for employee benefit assets which are expected to reverse in the succeeding two years amounting to Rs 217 Lakhs. However, in relation to timing differences that would reverse after succeeding two years and the carry forward losses, the Company has applied the principles of prudence and not recognised deferred tax assets estimated at Rs. 946 Lakhs which would be re-assessed at the next balance sheet date.

27. Provision for gratuity

The Company has a defined benefit gratuity plan for the employees of the Company. Every employee of the Company who has completed five years or more of service entitles to a gratuity benefit on separation from the Company or on retirement at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rupees 10 Lakhs. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following tables summarizes the components of net benefit/expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for gratuity:

i) Amount recognised in the Statement of Profit and Loss account

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Current service cost	32	31
Interest cost on benefit obligation	22	19
Expected return on plan assets	(1)	(1)
Net actuarial (gain) / loss recognised in the year	78	35
Net employee benefit expense	131	84

ii) Amount recognised in the Balance sheet

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Present value of Defined benefit obligation	(365)	(277)	(250)	(198)	(207)
Fair value of plan assets	42	13	17	-	9
Net Liability	(323)	(264)	(233)	(198)	(198)
Experience adjustment on plan asset	(53)	(29)	(44)	(13)	6

iii) Changes in the present value of the defined benefit obligation

Particulars	As at 31 March 2017	As at 31 March 2016
Opening defined benefit obligation	277	250
Interest cost	22	20
Current service cost	32	31
Benefits paid	(45)	(57)
Actuarial (gains) / losses on obligation	79	33
Closing defined benefit obligation	365	277

iv) Changes in the fair value of plan assets

Particulars	As at 31 March 2017	As at 31 March 2016
Opening fair value of plan assets	13	17
Expected return	1	2
Contributions by the company	72	52
Benefits paid	(45)	(57)
Actuarial gains / (losses)	1	(1)
Closing fair value of plan assets	42	13
Actual return on plan assets	2	-

v) The major categories of plan asset as a percentage of the fair value of total plan asset are as follows:

Particulars	As at 31 March 2017	As at 31 March 2016
Investments with insurer	100%	100%

vi) Assumptions

Particulars	As at 31 March 2017	As at 31 March 2016
Discount rate	7.09%	7.79%
Expected return on plan assets	7.09%	7.79%
Salary increment	5.00%	5.00%
Attrition (with service upto 5 years)	35.00%	35.00%
Attrition (with service more than 5 years)	2.00%	2.00%

The fund is administered by Life Insurance Corporation of India. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

28. Employee Stock option plans

The Company had one stock option plan that provide for the granting of stock options to employees including Directors of the Company (not being promoter Directors and Executive Directors, holding more than 10% of the equity shares of the Company). The option plans are summarized below:

Employee Stock Option Scheme (ESOS), 2010

The shareholders at the Annual General Meeting held on 4 August 2010 approved an Employee Stock Option Scheme 2010 (ESOS 2010) which provided for an issue of 600,000 options (each option convertible into 1 share) to the employees. Consequently, the compensation committee had granted the 390,000 options on 4 August 2010 and 100,000 options on 2 August 2012 at an exercise price of Rs. 45.05/- per share and Rs. 41.25/- per share respectively.

The Company has adopted the (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities and Exchange Board of India, and has recorded a compensation expense using the intrinsic value method as set out in those guidelines. All the options granted under ESOS 2010 stand lapsed / cancelled as at 31 March 2017. The summary of the movements in options are given below:

Particulars	As at 31 March 2017 (No. of options)	As at 31 March 2016 (No. of options)
Options outstanding, beginning of year	**-**	**268,000**
Options granted during the year	-	-
Options exercised during the year	-	-
Options lapsed during the year	-	268,000
Options outstanding, end of year	**-**	**-**
Options outstanding at the year end comprise :		
- Options eligible for exercise at year end	-	-
- Options not eligible for exercise at year end	-	-

The summary of the movements in options is as follows:

Particulars	No of options (2016-2017)	Weighted average exercise price	No of options (2015-2016)	Weighted average exercise price (Rs.)
Outstanding at the beginning of the year	**-**	**NA**	**268,000**	**45.05**
Granted during the year	-	-	-	-
Lapsed during the year	-	NA	268,000	45.05
Outstanding at the end of the year				
Granted in August 2010	**-**	**NA**	**-**	**NA**

Pro-forma Disclosures for ESOS 2010

The fair value of options was estimated at the date of grant using the binomial method with the following assumptions:

Particulars	ESOS 2010
Risk-free interest rate	7.25%
Expected life	5 years
Expected volatility	56%
Expected dividend yield	-
Share price on the date of grant (04.08.2010)	Rs. 45.05/-
Share price on the date of grant (02.08.2012)	Rs.41.25/-
Expected forfeiture	30%

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life; the Company expects the volatility of its share price to reduce as it matures

29. Leases (as a lessee)

Finance leases

Vehicles of Allsec include cars obtained on finance lease. The lease terms range between 3 and 5 years. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

Particulars	31 March 2017	31 March 2016
Total as at year end		
Minimum lease payments	**64**	74
Less: finance charges	**7**	8
Present value	**57**	66
Not later than one year		
Minimum lease payments	**36**	36
Less: finance charges	**4**	5
Present value	**32**	31
Later than one year but not later than five years		
Minimum lease payments	**28**	38
Less: finance charges	**3**	3
Present value	**25**	35
Later than five years		
Minimum lease payments	**Nil**	Nil
Less: finance charges	**Nil**	Nil
Present value	**Nil**	Nil

Finance lease obligations as at 31 March 2016 of Retreat were secured by equipments. The lease terms range between 3 and 5 years. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

Particulars	31 March 2017	31 March 2016
Total as at year end		
Minimum lease payments	-	21
Less: finance charges	-	1
Present value	-	20
Not later than one year		
Minimum lease payments	-	21
Less: finance charges	-	1
Present value	-	20
Later than one year but not later than five years		
Minimum lease payments	-	-
Less: finance charges	-	-
Present value	-	-

Operating leases

Allsec has operating leases for Office premises in India. These lease arrangements range for a period between 12 months to 60 months and are cancellable leases. These leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
With respect to all operating leases		
Lease payments recognized in the statement of Profit and Loss	797	885

Allsectech Manila Inc. has entered into an operating lease for office premises in Manila, Philippines. These lease arrangements range for a period between 12 months to 36 months and are cancellable leases. These leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
With respect to all operating leases		
Lease payments recognized in the statement of Profit and Loss	397	365

Retreat Capital Management Inc. has entered into an operating lease for office premises in Texas, USA. These lease arrangements range for a period between 12 months to 36 months and are cancellable leases. These leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
With respect to all operating leases		
Lease payments recognized in the statement of Profit and Loss	213	157

Leases (as a lessor)

Operating leases

Allsectech Manila Inc. has leased out a space of office premises in Manila, Philippines. The lease term extends to 8 months and is cancellable.

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
With respect to all operating leases		
Income on account of lease rentals recognized in the statement of Profit and Loss	143	554

30. Segment information

a. The Company has identified business segment as its primary segment. The Group operates in a single segment, "IT enabled services". The segment revenue, segment results, total carrying amount of segment assets and liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation during the year are all as reflected in the financial statements as at and for the year ended 31 March 2017. The Group has identified geography as the secondary segment based on the location of the customers.

b. Segment accounting polices

The group prepares its segment information in conformity with the Accounting policies adopted for preparing and presenting the financial statements of the group as a whole.

The Group has identified geographical segment as the secondary segment, based on the location of the customers invoiced.

Information about secondary segments	Year ended 31 March 2017	Year ended 31 March 2016
Segment revenue by location of customers		
United States of America	**23,128**	14,714
United Kingdom	**75**	366
India	**7,724**	7,116
Others	**1,353**	1,142
Total	**32,280**	**23,338**

Note:
Fixed assets used in the Group's business, liabilities and expenses of the group have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. The Group believes that it is currently not practicable to provide segment disclosures relating to assets, liabilities, capital expenditure since a meaningful segregation of the available data is onerous.

31. Related party disclosures

1. Names of related parties

Relationship	Name of the party
Key management personnel	**Related parties under AS 18 with whom transactions have taken place during the year** a) A. Saravanan, Director b) R. Jagadish, Whole time director

2. Transactions and balances with related parties:

Particulars	Key Management Personnel	
	31 March 2017	31 March 2016
Remuneration - (for the year ended)		
- A. Saravanan	**196**	196
- R. Jagadish	**104**	84
Remuneration Payable - R. Jagadish (as at balance sheet date)	**20**	3

32. Contingencies and commitments

Particulars	As at 31 March 2017	As at 31 March 2016
Capital commitments (that are non - cancellable)		
Estimated amount of capital contracts remaining to be Executed	**75**	41
Contingent liabilities		
Claims against the Company not acknowledged as debts		
- Income tax matters	**44**	-
- Others*	**109**	109

*Represents demand received from the Tamil Nadu Electricity Board in January 2008 relating to reclassification disputes on the tariff category applicable to the Company in two of its delivery centers with retrospective effect from 2005. The Company has obtained an interim stay order from the Hon'ble High Court of Madras against this claim. The Company considers the claim to be erroneous and as not payable under the specified tariff category applicable to ITES units.

33. Earnings per share (EPS)

The following reflects the profit and share data used in basic and diluted EPS computation:

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Net profit available to equity shareholders	6,145	3,094
Weighted average number of equity shares in calculating basic EPS (Numbers)	15,238,326	15,238,326
Effect of dilutive equity shares	-	-
Weighted average number of equity shares in calculating diluted EPS (Numbers)	15,238,326	15,238,326
Par value per share (Rs.)	10	10
Basic and Diluted EPS (Rs.)	40.33	20.30

34. Details of dues to micro and small enterprises as defined under MSMED Act, 2006

There is no overdue amount payable to suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not paid any interest to any micro and small Enterprises during the current and previous year. This information has been determined to the extent such parties have been identified on the basis of the information available with the Company.

35. Additional information required as per Schedule-III of the Companies Act, 2013:

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As a % of consolidated assets	Amount	As a % consolidated profit or loss	Amount
Parent	78%	11,670	39%	2,404
Foreign subsidiaries:				
AllsectechInc	10%	1,596	22%	1,324
Allsectech Manila Inc	6%	863	11%	706
Retreat Capital Management Inc	6%	878	28%	1,711
Total	**100%**	**15,007**	**100%**	**6,145**

36. Expenditure on Corporate Social Responsibility activities (CSR)

As per section 135 of the Companies Act, 2013, 2% of the average net profit of the last 3 years as computed under Section 198 of the Act, amounting to Rs. 13 lakhs were required to be spent towards CSR activities. During the financial year 2016-17, the Company has contributed an amount of Rs. 5 lakhs towards healthcare for underprivileged.

Particulars	In cash	Yet to be paid	Total
For the year ended 31 March 2017			
On construction/acquisition of any asset	-	-	-
On purposes other than above	5	-	5
For the year ended 31 March 2016			
On construction/acquisition of any asset	-	-	-
On purposes other than above	-	-	-

37. Previous year figures

Previous year figures have been regrouped/reclassified, wherever necessary, to conform to current year's classification.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants

per Sumesh E S
Partner
Membership No: 206931

Place: Chennai
Date: 15 May 2017

For and on behalf of the Board of Directors of
Allsec Technologies Limited

A. Saravanan
Director
(DIN: 00033683)

R. Jagadish
Director
(DIN: 00033589)

P Raghunath
Chief Financial Officer

A Mohan Kumar
Company Secretary

Place: Chennai
Date: 15 May 2017

ALLSEC TECHNOLOGIES LIMITED

Regd. Office: 7H Century Plaza, 560-562 Anna Salai, Teynampet, Chennai 600 018.

Corp. Office: 46B Velachery Main Road, Velachery, Chennai 600 042.

M/r./Ms _____

ATTENDANCE SLIP

Date & Time	Thursday 10th August 2017 10.00 AM
Venue	Narada Gana Sabha, Mini Hall, 314, TTK Salai, Alwarpet, Chennai 600018

Folio No.	No. of Shares

DEMAT PARTICULARS

DP ID No.

I	N	

Client ID No.

MEMBER ☐ PROXY ☐

(Please tick as applicable)

Note:
1. The Proxy form should be filled in full and the proxy form signed across revenue stamp should reach the share Transfer Agents M/s. Karvy of the Registered Office of the Company at least 48 hours before the scheduled time of the meeting.
2. Only Shareholders of the Company of their proxies will be allowed to attend the Meeting ON PRODUCTION OF THIS ATTENDANCE SLIP duty completed and signed.
3. Shareholders who hold shares in dematerialised from are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.

I hereby record my presence at the 18th Annual General Meating of the Company

---

Signature of Member / Proxy

Tear Here

ALLSEC TECHNOLOGIES LIMITED

Regd. Office: 7H Century Plaza, 560-562 Anna Salai, Teynampet, Chennai 600 018.

Corp. Office: 46B Velachery Main Road, Velachery, Chennai 600 042.

FORM OF PROXY

Follo No.	No. of Shares held

DP ID No.	I	N	
Client ID No.			

I / We ..... of

.....
(Address)

being Member of ALLSEC TECHNOLOGIES LIMITED hereby appoint

..... of
(Name of Proxy)

..... Or falling him
(Address of Proxy)

..... of
(Name of alternate proxy)

..... As my / our
(Address of alternate proxy)

Proxy to vote for me / us on my / our behalf at the 18th ANNUAL GENERAL MEETING of the Company to be held at 10.00 AM on Thursday, the 10th August 2017 and at any adjournment thereof.

Dat: ..... Signature .....

Re. 1 Revenue Stamp